

# Purchasing Week

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Price Perspective .....	2
Washington Perspective .....	4
Purchasing Week Asks You.....	11
Meetings .....	15
New Products .....	16
Profitable Reading for P.A.'s....	18
Foreign Perspective .....	19

## I.C.C. to Hear Rails, Truckers On Vol. Rates

Washington—Freight forwarders lock horns with protesting truckers before the Interstate Commerce Commission this week over a block of volume rates currently held in suspension until next spring. It is considered the start of what seems certain to be a showdown fight on the issue.

But apparently sure of eventual victory, freight forwarders plan to file a new block of several hundred additional volume rates with the I.C.C. within the next ten days. The rates mainly will cover shipments between the East Coast and Chicago for virtually all manufactured items.

There is no doubt that truckers will again protest and win suspension of the new rates too. Observers expect the I.C.C. to withhold all such rates until it makes a once-and-for-all decision on the matter.

In another phase of the many-sided rate-making battle, barge lines have joined truckers to oppose the railroads in a major test of how much selectivity in rail ratemaking can exist under the new transportation act. Six inland waterway barge operators went before the I.C.C. last week to protest a 60% cut in rates the rails want to install on hauling

(Continued on page 22)

## Transport Data Coming Monthly

New York—In recent years purchasing agents have come to realize more and more the importance of keeping up with trends in transportation. Growth in both air and truck transportation has made shipping a field of constant change.

To meet a growing need for transportation data, PURCHASING WEEK is launching a new statistical series on transportation. Each month the yearly trends in rail, truck, air, and international waterway shipping will be summarized

(Continued on page 3)

## End-Product Census Set in Atomic Field

Washington—Because no one knows for sure how big a market is represented by the end-products of firms in the atomic industry, the Census Bureau will soon undertake its first official atomic nose-counting.

Peaceful uses of atomic energy have grown rapidly since the end of World War II, and the number of firms in the business also has increased extensively. But the size of their market still is a mystery.

Purchasing departments prob-

(Continued on page 23)



CONTROLLED HURRICANE is about to be turned loose by operator of Convair machine. It will form difficult metals into complex shapes.

## Optimism Takes Over as Tool Show Exhibits Draw 50,000

Cleveland—The gloom and pessimism of the business recession has all but evaporated. There were ample signs of optimism at last week's National Metal Exposition. Many of the 50,000 visitors touring the show were lookers, but many also were there to study tool and metals manufacturers' offerings with an intent to buy. The 400 exhibitors generally were pleased with the quality of the crowd. Most reported solid inquiries; others reported outright sales.

Many new products and ma-

terials were put on the line by exhibitors. This in itself caused plenty of interest. But old products, too, were evaluated.

The most significant new produce announcement was made by Convair Div., General Dynamics Corp. It unveiled a line of metal-

(Continued on page 22)

This Week's

## Purchasing Perspective

NOV. 3-9

Keeping track of what's happening in world trade is one of the big responsibilities of purchasing today. Domestic price and supply factors often are influenced directly by happenings abroad. The business executive who fails to keep current with foreign trade decisions both at home and overseas stands in dire danger of being left at the dock.

Thus recent Paris deliberations of the Organization for European Economic Cooperation Committee to negotiate accord on a European free trade area held notable significance for American businessmen. The ultimate final assault on trade barriers throughout Western Europe will simultaneously pose both problems and opportunities for U.S. firms, big and small. Elimination of tariff restrictions between European nations will create product price differentials affecting hundreds of products imported and exported by this country.

A thorough grasp of world trade trends was one of the purchasing "musts" listed by a Pittsburgh industrialist participating in the petroleum industry's recent purchasing management seminar at Tulsa, Okla. Col. Willard F. Rockwell, board chairman of leading valve, meter, tool, and auto part manufacturing enterprises, declared the P. A., perhaps more than any other business executive must be familiar with all economic barometers.

(Continued on page 21)

## No Bites, Kits Sold

Tucson, Ariz. — He's no medicine man, but Tucson City Purchasing Agent William Bray is selling snake bite kits. The city bought them about ten years ago to have handy in case city workers were bitten by snakes while cleaning the streets. But there's been little need for the remedy recently.

Bray will sell the last seven in stock to the highest bidder.

## New U.S. Buying Rules Due Jan. 1

Washington—The Pentagon is putting finishing touches on a new set of procurement rules spelling out the types of costs the government will allow on contracts.

The revised regulations, Section XV (contract cost principles) of the Armed Services Procurement Regulations, are scheduled to be published by Jan. 1.

Approval of the new rules has been held up for months by serious objections to the proposed changes from defense industry spokesmen. Indeed, several important details have yet to be ironed out. The Defense Department is still studying objections to the latest draft of the regulations from organizations such as the National Industrial Security Association, Aircraft Industries Association, Electronic Industries Association, Automobile Manufacturers Association, National Association of Manufacturers, and U.S. Chamber of Commerce.

The Pentagon's objective in re-

(Continued on page 21)

## Ruling Cracked; G.S.A. Modifies Pricing Policy

Washington—Several cracks have been made recently in the government's stubborn defense of a federal purchasing policy which acts indirectly as a "price-setting" mechanism.

State and local government purchasing agents succeeded in recent weeks in winning substantially lower purchase prices on typewriters and drugs. It was believed these significant breakthroughs could lead to a lowering of prices on other items covered by the federal government's controversial policy.

Critics contend that the regulations, while favorable to federal agencies, have had the effect of shoving a rigid price floor under thousands of commodities and in

(Continued on page 23)

## Pact Insures Fuel for Jets

New York—To insure a constant supply of fuel at stable price for its forthcoming transcontinental jet service, American Airlines recently awarded the first 10-year contracts in commercial aviation history.

The deal involves nine top oil firms and a record-breaking four billion gallons of jet fuel, according to G. J. Brandewiede, American's vice president of purchasing and stores.

Discussing the purchase and problems encountered, the airline executive told PURCHASING WEEK: "It was a team effort from start to finish and it wouldn't have been as successful any other way."

American will introduce scheduled domestic jet service in January with the Boeing 707 nonstop between Los Angeles and

(Continued on page 22)

## Steel Stocks Too Low, Blough Says

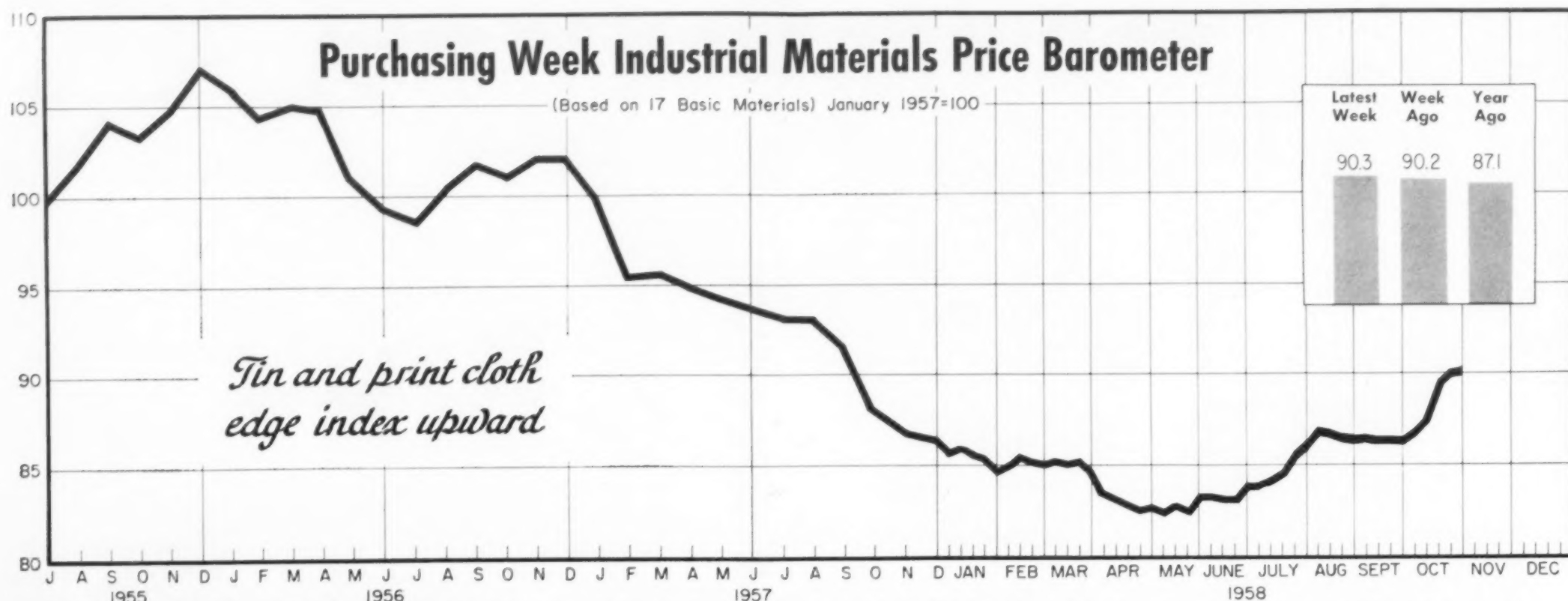
New York—The head of the nation's biggest steel producer believes "something will have to be done about the (steel) inventory problem."

Commenting on the outlook for the steel industry last week, U.S. Steel Corp. Chairman Roger M. Blough said that with the general economy "moving right along," he did not "see how it can operate with the stocks of steel now on hand."

Blough said U.S. Steel estimates customers' steel inventories had reached their lowest point since 1950. While noting a start on inventory rebuilding, Blough made it clear he hoped steel customers would increase their replenishment efforts to eliminate

(Continued on page 21)





This index was designed by the McGraw-Hill Department of Economics to serve as an overall sensitive barometer of movements in industrial raw

material prices. The index is not intended to give price movements of specific commodities. The items used are important only in that, together, they re-

flect the current general market trend in sensitive industrials. Weekly prices for most of the items covered are published in "Commodity Prices" below.

This Week's

## Price Perspective

NOV. 3-9

It's the "one jump ahead" P.A. who can distinguish between temporary market influences and the more basic price trends.

Strikes, threats of strikes, and distribution snafus may result in price rises. But if they're primarily due to temporary supply cutoffs they can hardly be interpreted as a basic upward trend.

Thus, the recent copper hikes—to the extent they are due to work stoppages—are not basically inflationary. A much better gauge of their meaning will be obtained when the strikes are settled.

Automobile prices provide another good example. The strike-induced shortage of 1959 models is reportedly reducing discounts, firming prices. But, again, a more accurate picture will have to wait on a stronger car flow to dealer showrooms.

• • •

But that's not to say that you can ignore these temporary supply factors. Nothing could lead you more quickly to disaster.

If your production department is clamoring for copper—or if you have to come up with a new car tomorrow—knowing only the basic longer-run trend isn't going to help you one iota.

You've got to keep your eyes on both short and long-run factors.

The former is necessary for your day-to-day operations—particularly where you operate on a hand-to-mouth basis.

But the latter is important too—doubly so when you are formulating your overall buying and inventory policies. Correctly evaluating these longer-run factors is a "must" for efficient purchasing policy.

• • •

Evaluating these longer-run trend factors is never an easy task.

Maybe that's why we often tend to slur over or forget them.

One difficulty involves time. The farther you go out into the future, the more difficult forecasting becomes—primarily because you just can't foresee every new development that's going to come along.

Another difficulty stems from current market conditions. Some industries are recovering at a rapid clip, others at a more leisurely pace, while still other areas remain in the doldrums.

It's the sort of market that makes for a wide range of price movements.

Recent behavior of P.W.'s weekly "price change" column would certainly bear this out. The current upward price lift has by no means been across the board. Plenty of cuts have been reported in recent weeks too.

• • •

The big question today is: Can we expect any sudden transition to a more uniform "all up" price movement?

The answer would have to be "no" on the basis of current data.

With supplies as ample as they are, a broad-gauge rising price trend would need a big and sustained jump in demand.

All evidence points to a slower, more deliberate increase in demand.

Steel is a case in point. This gradually improving industry has experienced a temporary slowdown. Last week a slight letup in demand forced steel makers to cut back output by about 1%.

To be sure it's a small cutback. And it will be quickly made up in the next few weeks. But it's important nevertheless. It shows that there are no "automatic" gains ahead.

It means business will continue to go up in "fits and starts." Demand will rise here, stabilize there—hardly a spring-board for inflation.

## This Week's Commodity Prices

	Oct. 29	Oct. 22	Year Ago	% Yrly Chg.
<b>METALS</b>				
Pig iron, Bessemer, Pitts., gross ton	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton	80.00	80.00	77.50	+ 3.2
Steel, structural shapes, Pitts., cwt	5.50	5.50	5.275	+ 4.3
Steel, structural shapes, Los Angeles, cwt	6.20	6.20	5.975	+ 3.8
Steel, bars, del., Phila., cwt	5.975	5.975	5.725	+ 4.4
Steel, bars, Pitts., cwt	5.675	5.675	5.425	+ 4.6
Steel, plates, Chicago, cwt	5.30	5.30	5.10	+ 3.9
Steel scrap, #1 heavy, del. Pitts., gross ton	43.50	43.50	37.50	+ 6.0
Steel scrap, #1 heavy, del. Cleve., gross ton	40.00	40.00	32.50	+23.1
Steel scrap, #1 heavy, del. Chicago, gross ton	42.50	42.50	35.00	+21.4
Aluminum, pig, lb	.247	.247	.26	- 5.0
Secondary aluminum, #380 lb	.218	.218	.22	- .9
Copper, electrolytic, wire bars, refinery, lb	.288	.274	.262	+ 9.9
Copper scrap, #2, smelters price, lb	.245	.243	.198	+23.7
Lead, common, N.Y., lb	.13	.13	.135	- 3.7
Nickel, electrolytic, producers, lb	.74	.74	.74	0
Nickel, electrolytic, dealers, lb	.74	.74	.85	-12.9
Tin, Straits N.Y., lb	.974	.964	.91	+ 7.0
Zinc Prime West, East St. Louis, lb	.108	.108	.10	+ 8.0
<b>FUELS</b>				
Fuel oil #6 or Bunker C, Gulf, bbl	2.15	2.00	2.55	-15.7
Fuel oil #6 or Bunker C, N.Y. barge, bbl	2.37	2.37	2.95	-19.7
Heavy fuel, PS 400, Los Angeles, rack, bbl	2.15	2.15	2.85	-24.6
LP-Gas, Propane, Okla. tank cars, gal	.05	.05	.04	+25.0
Gasoline, 91 oct. reg. Chicago, tank car, gal	.113	.115	.13	-13.1
Gasoline, 84 oct. reg. Los Angeles, rack, gal	.113	.113	.126	-10.3
Coal, bituminous, slack, ton	5.75	5.75	6.05	- 5.0
Coke, Connellsville, furnace, ton	15.25	15.25	15.25	0
<b>CHEMICALS</b>				
Ammonia, anhydros, refrigeration, tanks, ton	86.50	86.50	86.50	0
Benzene, petroleum, tanks, Houston, gal	.31	.31	.36	-14.0
Caustic soda, 76% solid, drums, carlots, cwt	4.80	4.80	4.30	+11.6
Coconut oil, inedible, crude, tanks, N.Y. lb	.161	.158	.14	+15.0
Glycerine, synthetic, tanks, lb	.278	.278	.28	- .7
Linseed oil, raw, in drums, carlots, lb	.167	.167	.186	-10.2
Phthalic anhydride, tanks, lb	.205	.205	.205	0
Polyethylene resin, high pressure molding, carlots, lb	.325	.325	.35	- 7.1
Rosin, W.G. grade, carlots, f.o.b. N.Y. cwt	9.60	9.60	9.00	+ 6.7
Shellac, T.N., N.Y. lb	.31	.31	.34	-11.8
Soda ash, 58%, light, carlots, cwt	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	23.50	0
Sulfuric acid, 66° commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb	.083	.081	.088	- 5.7
Titanium dioxide, anatase, reg. carlots lb	.255	.255	.255	0
<b>PAPER</b>				
Book paper, A grade, Eng finish, Untrimmed, carlots, CWT	17.00	17.00	17.00	0
Bond paper, #1 sulfite, water marked, 20 lb carton lots, CWT	24.20	24.20	24.20	0
Chipboard, del. N.Y., carlots, ton	100.00	100.00	100.00	0
Wrapping paper, std. Kraft, basis wt. 50 lb rolls	9.00	9.00	9.50	- 5.3
Gummed sealing tape, #2, 60 lb basis, 600 ft bundle	6.40	6.40	6.30	+ 1.6
Old corrugated boxes, dealers, Chicago, ton	25.26	25.26	17.00	+48.6
<b>BUILDING MATERIALS</b>				
Brick, del. N.Y., 1000	41.25	41.25	41.25	0
Cement, Portland, bulk, del. N.Y., bbl	4.14	4.14	4.42	- 6.3
Glass, window, single B, 40" Bracket, box	7.00	7.00	7.09	- 1.3
Southern pine lumber, 2x4, s4s, trucklots, fob N.Y.	125.00	125.00	114.00	+ 9.6
Douglas fir lumber, 2x4, s4s, carlots, fob Chicago	129.00	129.00	115.00	+ 2.2
<b>TEXTILES</b>				
Burlap, 10 oz., 40", 100 yd	10.70	10.60	11.00	- 2.7
Cotton, middling, 1", N.Y., lb	.363	.362	.353	+ 2.8
Printcloth, 39", 80x80, N.Y., spot, yd	.176	.176	.174	+ 1.1
Rayon, satin, acetate, N.Y., yd	.268	.268	.31	-13.5
Wool tops, N.Y. lb	1.47	1.48	1.65	-10.9
<b>HIDES AND RUBBER</b>				
Hides, cow, light native, packers, lb	.165	.155	.14	+17.9
Rubber, #1 std ribbed smoked sheets, lb	.318	.319	.283	+12.4



## Transport Data Coming Monthly; P.W. to Report Trends in Shipping

(Continued from page 1)  
rized as shown in the table at the right.

These monthly figures can serve you in several important ways.

They're an excellent indicator of current business activity. As all goods must be transported a number of times as they make their way to the ultimate consumer, transportation figures allow you to spot the current trend in general business activity.

The big advantage is that these figures are generally available well in advance of government production and other statistical indexes. They give you the current business picture a few weeks earlier.

### How Is Your Firm Doing?

This allows you to compare your own shipping activity with those for the economy as a whole. It gives you a quick picture on how your firm is matching up with business in general.

Remember though that transportation figures are indicators of current business activity—not "leading" indicators or forecasters of trends. To meet these latter needs use the P.W. monthly index of overtime hours and the sensitive industrial materials barometer.

Basically these shipping trends are designed to complement these leading indicators by giving you the current trend in industrial activity.

### A Clue to Shifting Patterns

Another use: Yearly changes in specific transportation areas provided direct clue to shifting shipping patterns. They indicate which modes of shipping are growing faster than others, allowing you to see how your own shipments compare with those of the business community in general.

If your own use of air freight for instance, does not maintain the growth shown by all businesses, a look at your own operations may help. You could be missing out on some advantages that this mode of transportation is offering your competitors.

### Relative Importance Changing

Remember that in evaluating the percentage change of each method of transportation listed in the table, the percentage applies only to the change and not to the total use of the type of transportation. And the relative importance between the various types is constantly changing.

For example, railroads in 1957 carried 47% of the nation's freight, as opposed to some 68% in 1946. Truckers' share, on the other hand, jumped from 7.3% to 19.5% in the same twelve year period.

Water traffic has remained fairly stable over this period of time in its share of freight. While air freight traffic, despite its tremendous growth over the past 10 years, still accounts for less than 1% of the nation's total freight carrying.

This new PURCHASING WEEK statistical series comes in answer to the requests of many P.A.'s who have found it most important to keep close watch of changing transportation patterns. For sharp rises in transportation costs

in the past few years have made this area a prime target for cost-cutting drives.

Only by keeping a close watch of general shipping developments will you be able to save your company money in these days of continued squeeze on profits.

You should also note that changes in the general trend does not mean equal dips or rises for all types of goods. The very nature of the demand for such items as food, petroleum products, clothing, and other non-durable

goods means that shipments of these products will not vary greatly from year to year.

On the other hand, shipments of such items as machinery, transportation equipment, and other durable goods will fluctuate rather violently with the ups and downs of the business cycle.

Comparative analysis of transportation activity then must be tempered by considerations of the nature of your product mix. As a durable goods producer, your shipments will probably outswing the average cycle. If you're manufacturing non-durables, your swings in activity should be more moderate than the all-industry averages listed above.

### Monthly Trend in Freight\*

(% Change from Corresponding Month of Previous Year)

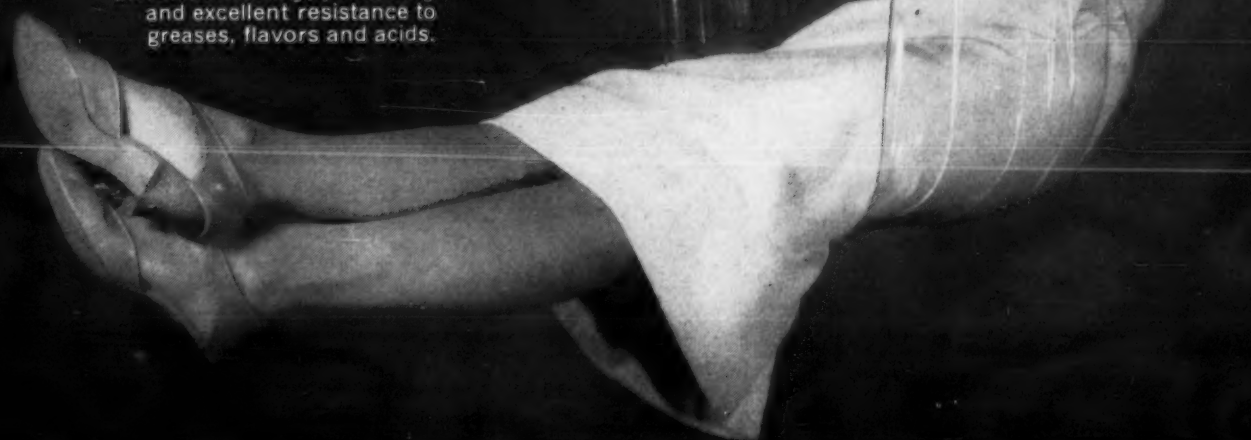
Rail Freight Car Loadings .....	— 9.9
Trucking—Intercity Tonnage .....	— 6.8
Air Freight and Express—Ton Miles .....	+19.3
Waterway—Foreign Trade Ship Clearances ..	—12.8

\*Latest month for Rails is September, Trucks August, Airlines August, Waterway June.

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# Washington Perspective

NOV. 3-9

Congressional investigators are turning their spotlight next on the Interstate Commerce Commission and its rate-making procedures.

The House Legislative Oversight Subcommittee—which exposed improprieties in the F.T.C.—Adams-Goldfine episode, and influence in the making of F.C.C. decisions—begins public hearings on the I.C.C. later this month.

A full airing of rate-setting policies is in the works, with the subcommittee looking for evidence of possible influence being brought to bear on decision-making.

The subcommittee also charges the I.C.C. hasn't been tough enough in cracking down on violators of I.C.C. regulations.

I.C.C. commissioners will be given an opportunity to answer the charges in person.

Numerous complaints have been received from shippers as well as carriers, the subcommittee says. The subcommittee will look especially into those instances where the I.C.C. has suspended rates pending investigation, normally for a straight seven month period (see page 1).

Another matter that will come under scrutiny is the method by which the San Francisco-St. Louis Railway acquired control of the Central of Georgia Railroad.

The subcommittee already has completed a preliminary investigation of the I.C.C., but declines to say whether it believes it has turned up any evidence of wrong-doing. But it hints strongly in this direction. Says one staff member:

"We'll just let the evidence speak for itself at the hearings."

President Eisenhower's advisers are insisting that inflation is under control.

But they're talking about prices to consumers—not business buying.

Fact is, prices you'll be paying for wholesale purchases are expected to keep rising gently through the next year, at least as measured by the government's Wholesale Price Index.

When Eisenhower's advisers talk about the threat of inflation subsiding, they're pointing at the Consumer Price Index. Though much of the public comment is inspired by the election campaigns, the consensus is that the CPI won't show much change for a year or so, bobbing up and down slightly over the period.

But the Wholesale Price Index, after remaining fairly stable for a year, probably will climb 1 or 2% in the period. That's the opinion of government experts who work closely with the index and report their findings directly to the President's Council of Economic Advisers.

Increases at wholesale won't be translated into price rises in the consumer index for some time because of the lag that always occurs between the two. Hence, all the "optimism" that inflation has been stopped.

Treasury Department is reviewing more than 50 requests for higher tariffs under the stricter anti-dumping law passed by Congress last summer.

New language in the law makes it easier for domestic producers to petition for higher import duties on foreign competition imported into the U.S. at prices the Treasury rules to be of "less than fair value."

In its first ruling, the Department rejected pleas for higher duties on Japanese monosodium glutamate, and on aluminum foil from more than 30 foreign suppliers.

However, foil from major U.S. overseas suppliers—United Kingdom, West Germany, Switzerland, Austria and France—still is under investigation.

## Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	2,009	2,026*	2,041
Autos, units	70,724	45,387*	104,987
Trucks, units	16,288	14,209*	21,543
Crude runs, thous bbl, daily aver	7,753	7,613	7,649
Distillate fuel oil, thous bbl	12,071	12,704	12,126
Residual fuel oil, thous bbl	7,227	6,838	6,981
Gasoline, thous bbl	27,546	25,991	27,350
Petroleum refineries operating rate, %	83.0	81.5	85.0
Container board, thous tons	161,282	163,552	159,499
Boxboard, thous tons	143,494	150,893	134,660
Paper operating rate, %	91.2	91.9*	92.2
Lumber, thous of board ft	257,864	237,001	236,542
Bituminous coal, daily aver thous tons	1,422	1,453*	1,644
Electric power, million kilowatt hours	12,174	12,048	11,787
Eng const awards, mil \$ Eng News-Rec	272.9	251.4	370.7

\*Revised

## Rising Prices Hold Down Real Wage Gains

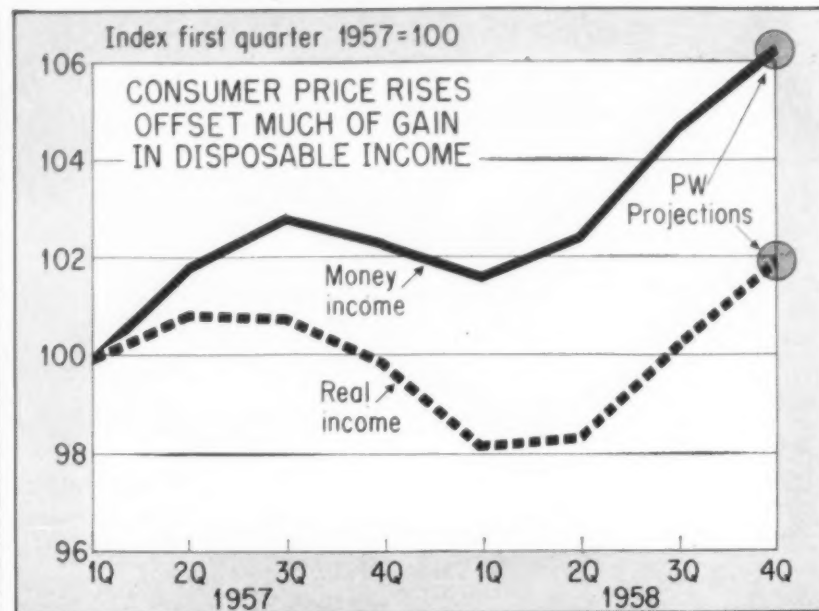
New York—Rising consumer income trend indicates a continuing modest upturn in business activity through winter. Accent is on the word modest—despite another 2.4% boost in incomes for the third quarter. Reason: Rising consumer prices over the past year have tended to blunt somewhat this income boost.

Price rises make the current record income level a little less bullish looking. It means a somewhat smaller year-to-year income boost when figures are translated into actual buying power.

This "real" income (income adjusted for price changes) is a particularly important indicator for purchasing executives to analyze.

The real income series shown on the chart above represents actual purchasing power—the physical volume of goods Mr. Consumer can buy with his take-home pay. Whether you are a P.A. in a consumer or capital goods plant, what the consumer physically purchases with his money has a direct effect on your own operations.

In the consumer goods field,



the higher the physical volume of consumer acquisitions, the greater your own purchasing activity via increased plant production.

In machinery and other capital goods fields, what the consumer does also has a significant effect. Higher consumer spending means a better over-all level of business

activity—creating a more favorable climate for business expansion and modernization.

Comparing the two series on the chart above shows you how great an effect price has had over the past two years.

Since the crest of the last business peak in earlier 1957, rising consumer prices have made for a four percentage point gap between money and real income. In other words, if prices had remained stable, the consumer would have been able to purchase 4% additional goods with their current pay checks.

This is a good illustration of the eroding consequences of inflation. Thus the rising consumer prices over the past year or so has had a net effect of reducing your pay check by about 4%.

But eroding effect or not, the over-all income report for the third quarter is far from bearish. Note that even in "real" terms income has risen some 2% over the past three months.

### Trend Seen Continuing

And P.W. looks for a continuation of this trend. Thus, another 1½-2% gain in real income is forecasted for the fourth quarter of 1958.

The rise in the fourth quarter will be approximately the same in both real and money terms. That's because no substantial increase in consumer price seems likely in the next two or three months.

The effects of this current modest increase are already being felt all over the country. Most retailers, for example, are cautiously optimistic. Four out of five recently queried at a National Retail Merchants Association meeting said that they expected business this Christmas to top year ago levels.

It now also seems likely that sales of department stores will inch ahead of 1957. A good Christmas season should push over the 1958 department store sales some 1-3% above year ago.

Automobile sales—Generally the biggest consumer items bought—are also perking up. Demand for 1959 models is reported as brisk. Though how much is due to a shortage and how much to increased demand remains to be seen.

One possible hint as to car buying intentions comes from a recent National Industrial Conference Board survey on consumer purchasing. It shows the public may be planning to allot a bigger share of its income to new automobiles.

## Price Changes for P.A.'s

**Aromatic Chemicals**—Geranyl acetate has been cut 5¢ a lb. and is now quoted at \$2.10 to \$2.15 a lb. Citronellyl acetate has been cut 45¢ a lb. and is now quoted at \$2.65 to \$2.70 a lb. Caraway oil has been advanced in price to \$2.15 to \$3.30 a lb.

**Copper Sulfate**—Tags of copper sulfate in crystal form have been boosted from 35¢ to 75¢ a cwt. The crystal carlot price is now \$11.65 a cwt and less carlot tags range from \$12.15 to \$14.65 a cwt.

**Steel**—Algoma Steel Corp. of Canada has boosted tags of structural steel \$4 a ton to \$100 a ton.

**Koylon Foam Rubber**—United States Rubber Co. announced that it will increase prices for Koylon foam rubber cushioning and flat stock on all shipments made to furniture manufacturers on and after Nov. 24. The price increases will average from 7% to 12% and in certain specific cases may be even higher. The increases are due to higher raw material, labor, and transportation costs.

**Tin Oxide**—An advance of 2¢ a lb. in price establishes a \$1.045 a lb. tag on 400-lb. drums of tin oxide.

**Compressors**—Clark Bros. Co. has boosted its average tags of electric and gas-engine driven compressors by 7½%. Increased cost of labor and materials are reported responsible.

**Mobile Radios**—General Electric Co. has increased some portions of its mobile radio line 3.7%. The boost affects only low band and high band 2-way radio units.

**Titanium Sponge Products**—Mallory-Sharon Metals Corp. announced price cuts on its titanium sponge, billet and bar products. The price of titanium sponge, in

quantities over 500 lbs., to a maximum of 100 brinell hardness, has been cut to \$1.62 a lb. The price reduction is an open price to all titanium fabricators.

The base price of titanium billet stock has been lowered from \$4.10 a lb. to \$3.80 a lb. Finishing extras for overall ground material have been reduced from 40¢ to 30¢ a lb., and lathe turning is reduced from 80¢ to 60¢ a lb. Titanium bar prices have been cut from \$5.25 to \$5.10 a lb.

**Crude Oil**—Indiana Purchasing Oil Co. has cut by 5¢ to 15¢ a bbl. The price it will pay for crude oil in certain Arkansas and Louisiana fields. Most cuts are for 10¢ a bbl. Indiana Oil Purchasing also reduced tags on purchases of below 36 gravity crude oil in Cooke and Montague Counties, Texas, by establishing a 4¢ a degree price differential in place of a former differential of 2¢.

Reductions range from 2¢ a bbl. for 35 gravity crude to 34¢ a bbl. for crude below 20 gravity. Tags on 35 gravity crude are now \$2.96 a bbl., and at below 20 gravity crude \$2.32 a bbl.

**Anti-Knock Compounds**—Ethyl Corp. increased its anti-knock compounds approximately 1½% as of Dec. 2. New tags are: motor mix—60.75¢ a lb., motor plus—61.75¢ a lb., and aviation mix 66.65¢ a lb.

**Acrylic Acid**—Rohm and Haas Co. has cut less carloads and truckload tags of glacial acrylic acid by 50¢ a lb. The 400-lb., drum lots price is now 65¢ a lb. and single gal. lots are now quoted at \$1 a lb. Greater economies in manufacturing are reported responsible for the cut.

**Construction equipment**—Major producers have boosted average tags of construction equipment by from 3% to 6%. Power shovels, cranes, concrete mixers, and scrapers are among the items boosted.



## G.A.T.T. Opens Meeting in Geneva; Trade, Tariff Pacts at Stake

No Immediate Reductions in Sight to Benefit Industrial Purchasing; Easing Rules Adopted

Washington—The future of G.A.T.T. (General Agreement on Tariffs and Trade) as a leading force for freer trade is at stake in the current meeting of the International Agency at Geneva Switzerland.

If G.A.T.T. nations can't hold their own members to a liberal trade policy, some economists fear the new European market will drift toward international protectionism right from the start.

No immediate reductions or rejiggering of current international tariff rates and trade restrictions to benefit industrial purchasing will result from the meeting which began last week following a pre-session conference on the "ministerial" level. Representatives of most of the 37 nations participating in G.A.T.T. agreed early on steps which should be taken to ease trade restrictions throughout the world. The working negotiators now are in the opening round of discus-

sions on specific items on which tariff changes eventually may be negotiated.

Opening statements of the delegation leaders actually laid down the general policy suggestions. It will be up to the working bureaucrats to carry on for the next month.

Under G.A.T.T. procedure no

major shifts can be negotiated until the European common market, which begins its first round of international tariff adjustments next year, arrives at the first stage of a common tariff rate for its non-member trading partners. This stage won't begin to be negotiated for more than a year and won't start becoming effective for about three years.

The meetings over the next few weeks will be aimed at laying the groundwork for the first round of European market nation negotiations for a common external tariff schedule in 1960.

With the United States under pressure at Geneva to take the lead in removing world trade

barriers, it would appear that U. S. efforts on this behalf would be governed greatly by the outcome of the European Common Market tariff negotiations.

A big struggle at the current G.A.T.T. meeting will come over West Germany's recent decision to curb drastically future imports of coal, together with other postwar import quotas which were placed to protect Germany's foreign exchange position. Germany's balance of payments situation is now second only to the United States, and Bonn has frankly admitted the coal curbs are designed solely to protect domestic producers.

The G.A.T.T. meeting will

end with a statement outlining what agreements have been reached on the various problems. Then the representatives will return to their respective countries to prepare for next year's meeting, which is scheduled to take up the first formal proposals for a common European market tariff.

A proposal to meet four times a year instead of only once and other suggestions aimed at improved administration of G.A.T.T. operations also will be debated. But the key point is whether G.A.T.T. can keep a strong position of influence among its members toward lower tariffs and trade restrictions.

## S.B.A. Announces Borrowing Rules

Washington—The Small Business Administration has officially launched its highly-touted new program to pour millions into the long-term financing of the nation's small concerns.

S.B.A. issued regulations last week, effective immediately, for advancing federal funds under the program to state and local development companies for relending to little businesses.

Smaller manufacturing firms will benefit most by the new venture, but wholesalers, suppliers and other businesses also will be able to secure additional funds for expansion and working capital.

### Development Companies Set

Development companies, which already are in existence to attract new business into their areas, will play only one part in the setup. Additional regulations will be forthcoming next week on the main phase of the program covering the creation of a new network of privately owned small business investment companies.

The federal government will put up \$250 million for the venture, but the biggest source of funds is expected to come from private sources.

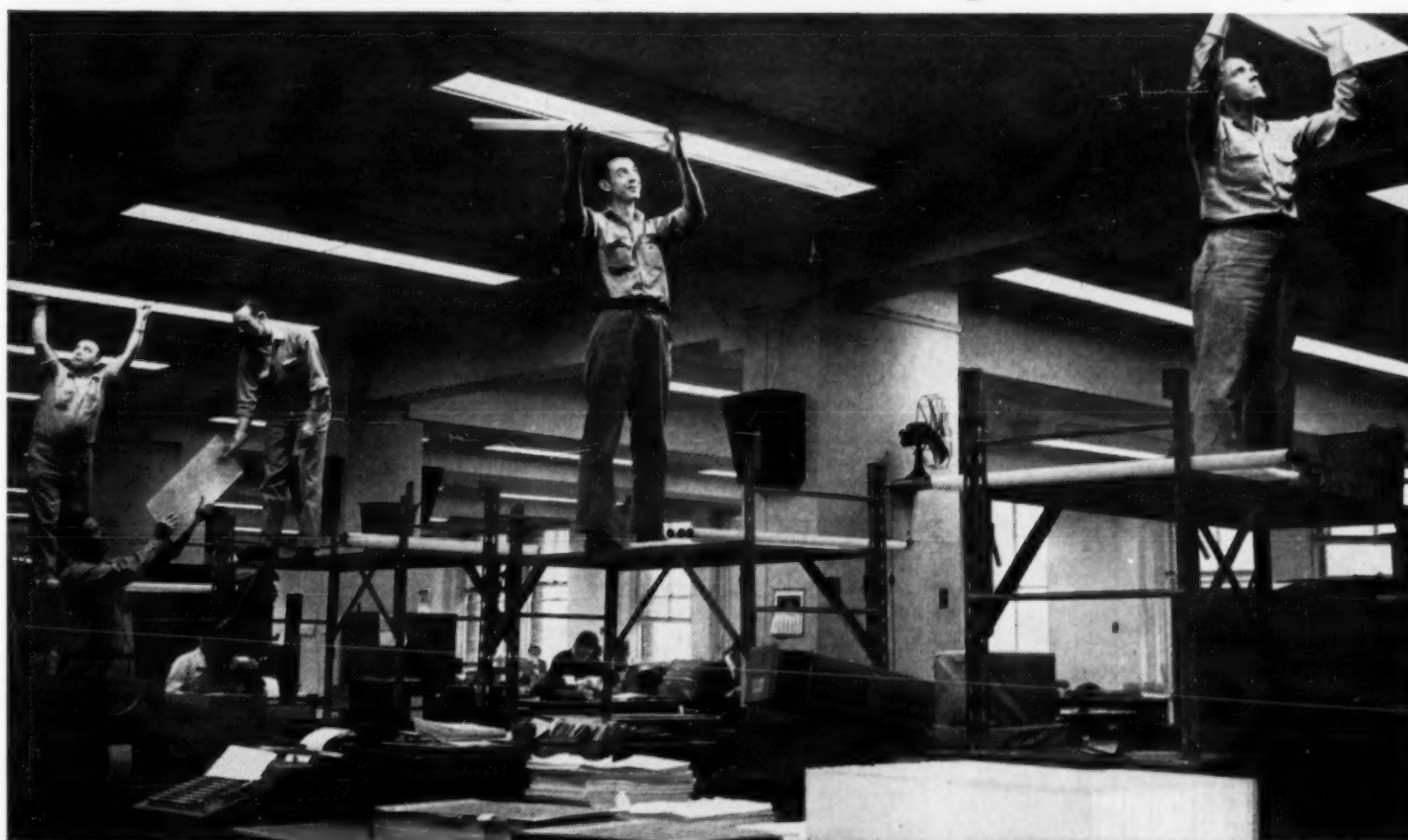
Last week's regulations spell out details on the two types of loans that S.B.A. can make to development companies:

- Loans of up to \$250,000 for each specific case where the purpose is to finance plant construction, conversion or expansion. Interest is set at 5½%.

- General purpose loans, which will carry a 5% interest rate, that can be made in any amount up to the total capital borrowed and outstanding by the development.

S.B.A. in the meantime is stepping up its direct loans to small firms. It reports approval of 395 loans amounting to better than \$17 million last month.

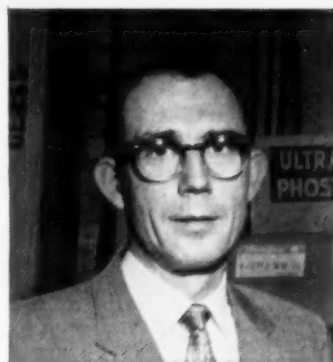
## EQUITABLE SAVES \$21,193 by group relamping with Westinghouse lamps



Equitable's relamping program is a big one . . . 31,503 lamps! To make sure Westinghouse lamps would meet Equitable's high standards, Equitable made thorough tests . . . they found that Westinghouse fluorescent lamps with exclusive "Ultralume"™ phosphors start bright and maintain their brightness. In fact, although Westinghouse fluorescent lamps are rated 7500 hours, with Equitable's minimum on-off cycles, the lamps average over 13,000 hours . . . and the number of failures after two years of burning is about 5 per cent.

To keep their building at peak lighting efficiency, Equitable cleans lighting fixtures every year. By group relamping every other year at cleaning time, the cost of relamping is an amazingly low 6.9¢ per lamp over the cost of cleaning alone. Compared with costly, haphazard replacement, Equitable saves \$21,193 every time they group relamp with Westinghouse.

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**WILLIAM G. BIRKEL**, Chief Electrician, Equitable Life Assurance Society of the United States

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## Kalamazoo P.A.'s Hear Area Business Improving

**Kalamazoo, Mich.**—Business is gaining strength in all phases in this area with employment, production, and order backlog higher than three months ago, according to the Kalamazoo Valley Association of Purchasing Agents' business survey committee report.

At the same time, the report indicated, Kalamazoo area P.A.'s are paying higher prices, are having to wait slightly longer for delivery, and have not shown a net gain in inventories since production demand has risen faster than materials in inventory could be replaced. The report was given at the association's Oct. 14 meeting.

Dr. Andrew Luff, guest speaker, explained how quality control cuts manufacturing costs. The Western Michigan University professor described how some companies have lowered costs and improved vendor performance through a vendor certification system.

## Buffalo P.A.'s Sponsor Poll on Education

**Buffalo**—The education committee of the Purchasing Agents Association of Buffalo is polling the general membership on its desires for an educational program.

Headed by R. S. Josselyn, P.A. for Westinghouse Electric Corp., the committee has mailed post cards asking whether members would prefer to attend one hour educational sessions before each regular meeting, evening sessions separate from the regular meetings, or a one- or two-day seminar.

They also were asked to designate their preference from among 27 possible educational subjects in four categories—human relations and communications, the purchasing operation, organization, and special activities.

## Brush, Austin P.A., To Head N.I.G.P.

**Boston**—O. Grant Brush, city purchasing agent of Austin, Tex., succeeds Joseph V. Spagna of New York City as president of the National Institute of Governmental Purchasing.

Other officers elected at the closing session of the group's 13th annual conference here include John V. Moran, P.A. for Boston, vice president; Ernest J. Brewer, P.A. for Atlanta, vice president, and Otto R. Winter of New Britain, Conn., treasurer.

Spagna was re-elected to the board of directors. Other directors include John F. Ward of Chicago, Otto P. Simon, Jr. of St. Paul, Minn., George W. Warren, Jr., of Baltimore, and Albert T. Tripp, San Antonio.

## Georgia P.A.'s Tour Delta Air Lines, Inc.

**Atlanta, Ga.**—Fifty-seven members of the Purchasing Agents Association of Georgia toured the shops of Delta Air Lines, Inc. at Municipal Airport here Oct. 9.

Of particular interest was the meticulous care that goes into maintenance of all equipment, especially the periodic rebuilding of airplane engines.



## P.A.'s, Educator Kickoff Purchasing Course

**Roseland, Ind.**—The first of a series of five educational programs under the direction of Prof. Vincent R. Raymond, University of Notre Dame College of Commerce, was held here Oct. 8. It was

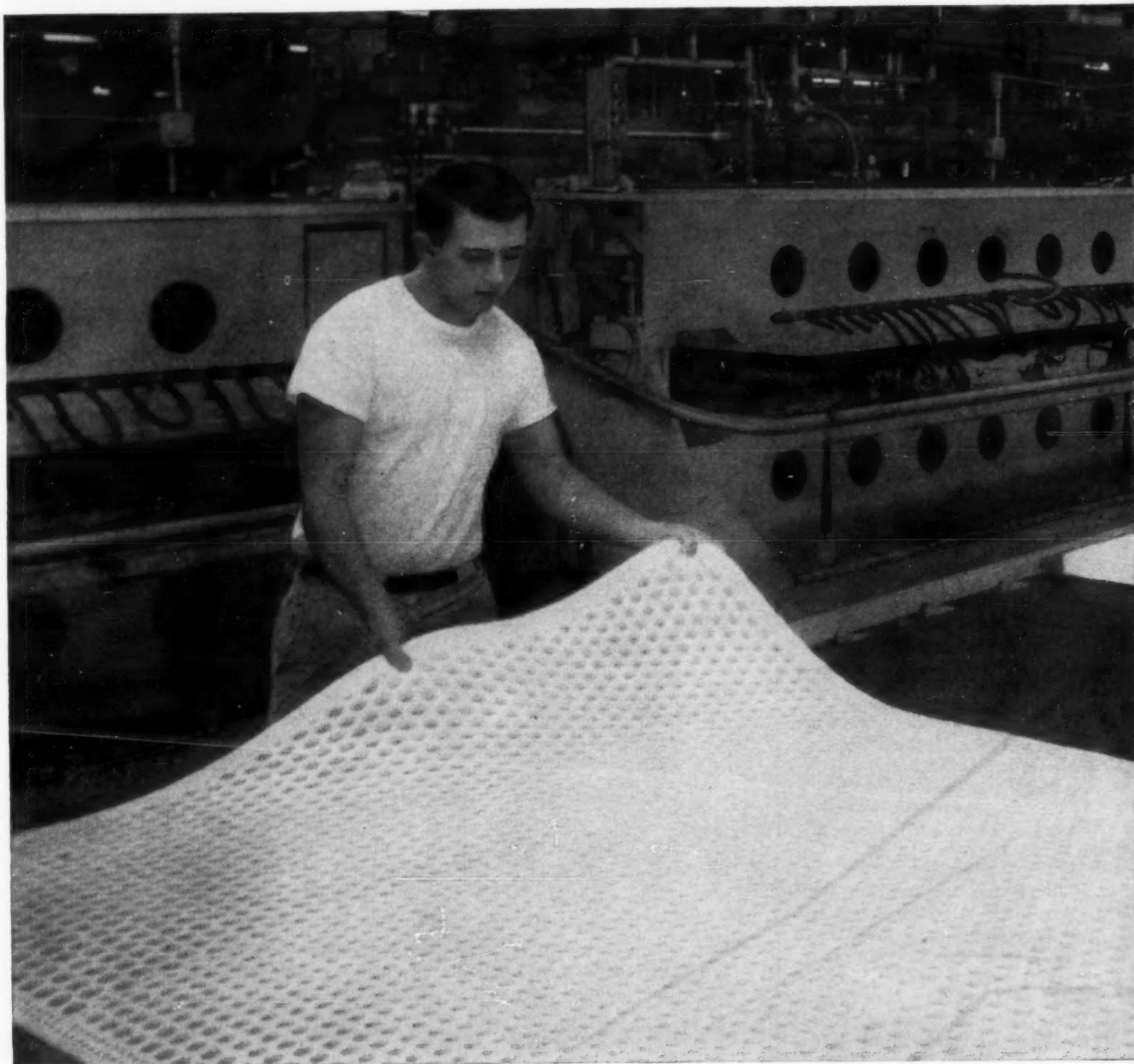
sponsored by the Purchasing Agents Association of South Bend. Association officers and a Notre Dame University professor opened the five-part course. Pictured at left are W. H. Van Derbeck National Standard Co., second vice president; N. E. Steep, Elkhart Paint Mfg. Co., national director; Prof. Raymond; and H. J. Baker, U. S. Rubber Co., first vice president.

Raymond said the course was designed to "increase the individual purchasing agent's efficiency in his present position and prepare him for greater future responsibilities."

The meeting was devoted to discussing a case history from the files of the Harvard Business School. The case concerned the actions of a manager of purchases in a number of situations.

The object of this type of discussion, Raymond said, was "not to solve a given problem or situation, but rather to stimulate the group into active discussion and creative thinking, ultimately to gain from a common experience."

The other four sessions will be held Nov. 12, Jan. 14, Feb. 11, and March 11.



## 125 B. F. Goodrich presses, using Gulf Harmony Oil, mould GULF MAKES THINGS

"We'd be up to our necks in expensive scrap if we used an inferior hydraulic oil," says Alex Sandomirsky, chief engineer at the B. F. Goodrich Sponge Products Division in Shelton, Connecticut.

The plant turns out highest quality B. F. Goodrich Texfoam mattresses, pillows, auto seat and furniture cushions around the clock. It has the world's largest installation of rubber moulding presses, 125 of them on one central, 700-gallon hydraulic system. The oil in this system has to be reliable, for if one press went out all would have to close down.

B. F. Goodrich uses Gulf Harmony Oil 53 as the power

medium, serving these presses 24 hours a day, 6 days a week . . . tough service for any hydraulic oil. Gulf Harmony stands up perfectly in this operation, to the complete satisfaction of B. F. Goodrich. Production results are excellent.

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## Caution, Sense Needed, Youngstown P.A.'s Told

Salem, Ohio—"These are the times that separate the boys from the men," an Ohio steel executive declared in a discussion of economic conditions at the October meeting of Youngstown District purchasing agents.

George Perrault, vice president of E. W. Bliss Co.'s rolling mill division, said that by holding the line against panic and proceeding with "determination and good sense" the trying economic times of the past 12-18 months can be turned to advantage.

Perrault said there is nothing to fear in the economic future "if

we but have the stability and good sense to think straight."

Members of the Youngstown purchasing group toured the production and research facilities of the Bliss Co. and the Electric Furnace Company plants prior to the formal meeting.

## Plant Visit Held

Cleveland—Members of the Purchasing Agents Association of Cleveland toured the Lincoln Electric Co. plant here Oct. 30 and saw demonstrations on a number of new welding techniques. Lincoln's incentive system and operations also were explained.

## Old Dominion P.A.'s Study Transportation

Williamsburg, Va.—Transportation and economics received close attention at the two-day meeting of the Old Dominion Purchasing Agents Association here Oct. 17-18.

Speakers included L. E. Galaspie, director of traffic, and Cloyd Steinmetz, director of sales training, both of Reynolds Metals Co.

Professor A. B. King of William and Mary College, discussed on business cycles and economic growth.

Eighty-five members and guests attended the two-day session.



## President Affleck Aims Standards for District 6

Akron—Gordon B. Affleck, left, president of the National Association of Purchasing Agents, held the attention of fellow P.A.'s in a discussion on purchasing standards at the 6th District council meeting Oct. 8. Listeners are left, Edwin G. Berglund, Akron Association president; T. R. Thompson, Dayton, 6th District vice president; and Fred A. Onstine, general chairman. Officers and national directors from 16 associations in Ohio and Western Pennsylvania attended.

## Off-Beat Buying Can Aid Company, Speaker Says

Buffalo, N. Y.—A company can often benefit from off-beat action taken by younger, less experienced P.A.'s observes a New York industrial executive.

Speaking at the Oct. 8 meeting of the Purchasing Agents Association of Buffalo, Kenneth McIlraith, Moog Valve Co. executive vice president, said younger men are less shackled by precedent and tradition.

Members of Moog Valve's purchasing staff average about 32 years old, McIlraith said. The firm, has grown from an initial investment of \$3,000 to annual sales of over \$10 million in eight years. Motivation of both management and factory personnel have done this job, he said.

Buffalo association members toured the Globe Woven Belting Co. plant here before the dinner meeting. Leo F. Norton, Globe P.A., hosted the tour.

## Little Rock P.A.'s Get Department Store Slant

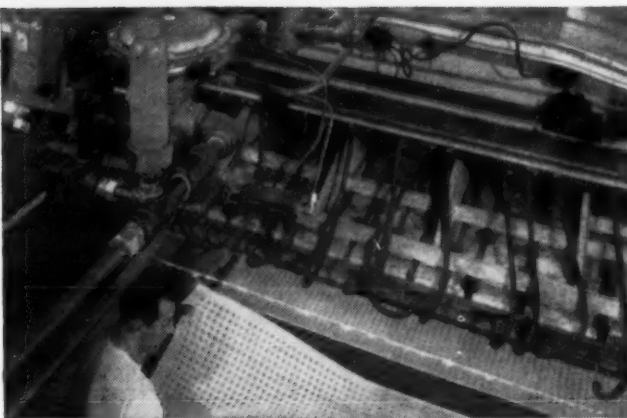
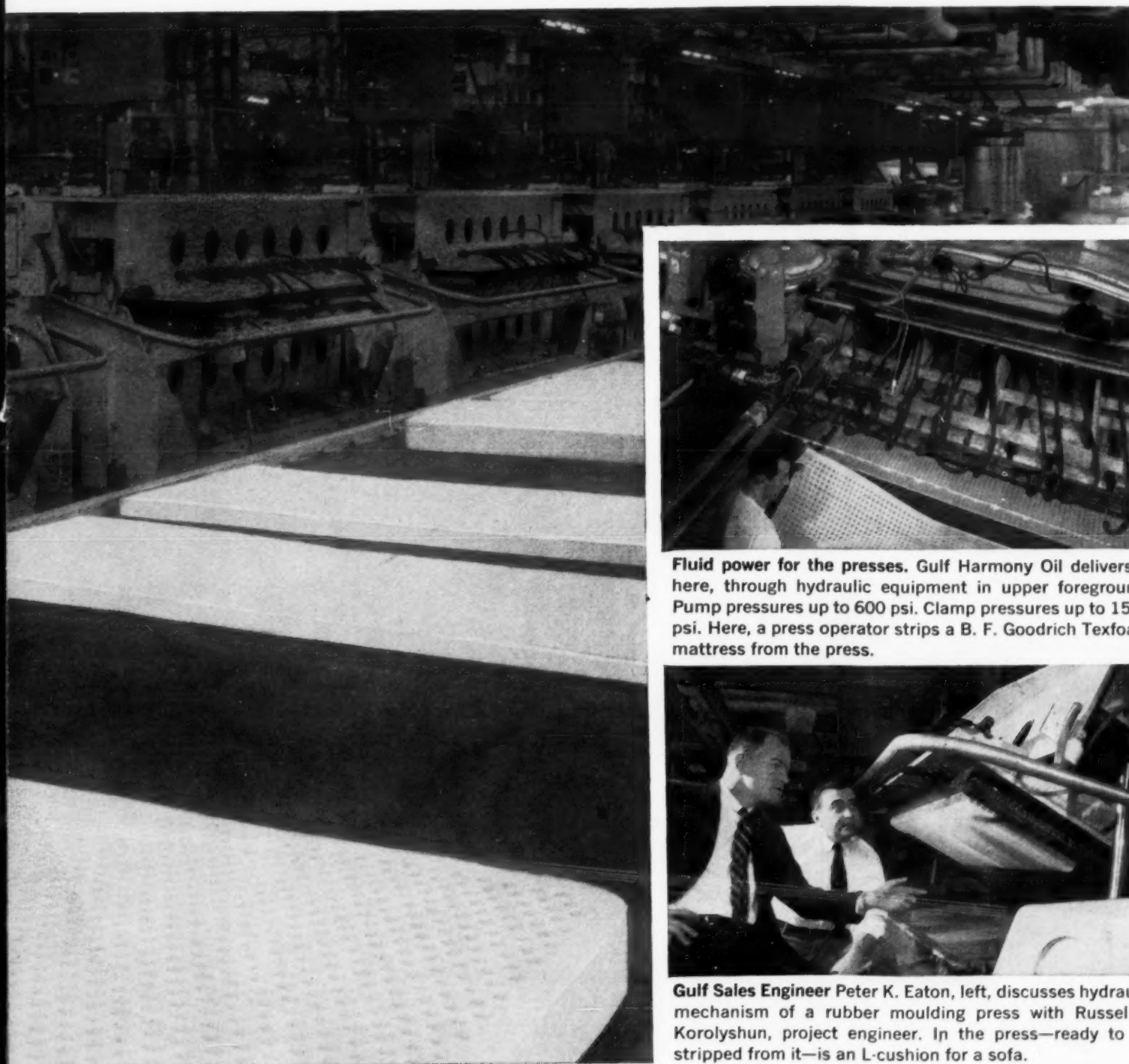
Little Rock, Ark.—A department store executive gave members of the Purchasing Agents Association of Little Rock the inside slant on how to operate a department store.

Speaking at the group's Oct. 23 meeting, David Grundfest, president of Sterling Stores, Inc., said all his office buyers are instructed to treat salesmen who call on them as if they were being entertained at home.

Little Rock members Clifford Young, Hugh Gallagher, and Hugh McMillan reported on the District 7 Conference in Jacksonville, Fla.

## Wilmington P.A.'s Tour

Wilmington—Members of the Purchasing Agents Association of Wilmington toured the Yorklyn plant of National Vulcanized Fibre Co. Oct. 15. The association visits an industrial site each spring and fall.



Fluid power for the presses. Gulf Harmony Oil delivers it here, through hydraulic equipment in upper foreground. Pump pressures up to 600 psi. Clamp pressures up to 1500 psi. Here, a press operator strips a B. F. Goodrich Texfoam mattress from the press.



Gulf Sales Engineer Peter K. Eaton, left, discusses hydraulic mechanism of a rubber moulding press with Russel T. Korolyshun, project engineer. In the press—ready to be stripped from it—is an L-cushion for a sofa.

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## Senate Banking Committee Study Hits Credit Policies of F.R.B.

Achinstein's Review of Federal Regulations Gives Congressional Critics New Ammunition

Washington—A study just made for the Senate Banking and Currency Committee offers grounds for argument about whether the niceties of federal money policies contribute to or disrupt business activity.

The economist who authored the report for the committee says the trouble with the F.R.B.'s credit policies is that when they come they are either too strict or too late. And for people who buy and sell and use borrowed money in industrial transactions, the criticism is a crucial one.

The study—Federal Reserve Policy and Economic Stability, 1951-57—was made by Asher Achinstein, senior specialist in the Legislative Reference Bureau of the Library of Congress. Achinstein is an expert on business cycles and a former close associate of Dr. Arthur F. Burns, when Burns was chairman of Eisenhower's Council of Economic Advisors.

### Ammunition for Critics

Congressional critics of the Federal Reserve are given a rich source of fresh ammunition in the Achinstein report. It is likely to play a key role in hearings next year into a broad range of subjects—monetary policy, inflation control, unemployment, and economic growth.

Achinstein asserted he found several periods in which the F.R.B. erred in setting the monetary policy for the benefit of business stability and growth. Pointing to the 1953 tight money period, he said the Board could have done a better job of forecasting the recession then about to develop. Actually, Achinstein asserts, the F.R.B. eased money in mid-1953, not to combat the coming recession, but to meet a critical situation in the money markets.

### Tight Money Too Slow

And as the boom began in 1955, the study contends, the Board did not switch quickly enough to a tight money policy. Achinstein also was particularly critical of the January-November period last year when public statements by key Reserve officials continued to stress the dangers of inflation and the need for restraint. At the same time, the F.R.B.'s open market committee, which governs money supply, was expressing a lack of confidence in the business outlook.

The report recommends selective credit control for the Federal Reserve's powers—over consumer credit at least and possibly over mortgage credit. Since May of last year, the Board has been on record against consumer credit controls, reversing a favorable attitude taken in 1952.

Achinstein had this advice for effective monetary management: timeliness, vigor and flexibility. He pointed out that in retrospect, Federal Reserve officials grant they fell short of these criteria in 1955. He thinks they will eventually admit the same faults about their anti-recession steps of last year. Their miscalculations, he

believes, contributed to "the sharpest business decline in the postwar period."

To this, the Federal Reserve's own staff of experts has a curt reply.

In a brief addition to the report, the F.R.B.'s staff accuses Achinstein of judging the system's policies in late 1957 too

hurriedly. The recession in '57-'58 is now regarded "as among the shortest and mildest" in American history, in terms of total man-hours of work lost, the staff points out. It believes the Board's actions of late 1957 are justified by the strength of the current recovery.

This criticism of the Federal Reserve Board's activities comes just as a long awaited monetary policy research project of the committee on Economic Development is getting underway. The C.E.D. named Dr. Bertrand Fox, research director at Harvard Graduate School of Business Administration, as director of research.

## Steel Unit Gives Inventory Costs

Cleveland, Ohio—What does it cost to inventory steel?

The American Steel Warehouse Association says it's easy to figure with the aid of a new booklet just published by the association. The booklet is titled: "What's Your Real Cost of Possession for Steel."

In a continuing campaign to persuade purchasing agents to buy steel from warehouses rather than inventory it themselves (P.W., July 21, p. 1), the association is distributing the cost analysis through 900 steel service center members located through-

out the entire United States.

Robert G. Welch, executive vice president of the organization, said the booklet discusses methods by which steel buyers can continue current cost reduction programs. It utilizes the equation "purchase price plus cost of possession equals cost ready for use," and contains a sample form of a cost analysis work sheet.

"Cost of possession" is broken down into: 1. cost of capital for raw materials; 2. cost of operating warehouse space; 3. cost of obsolescence, taxes, insurance, and accounting.

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A P.W. Profile

## Thuringer, Stone Container P.A., Collects Autographed Pictures

Visitors to the Chicago office of Stone Container Corp. P. A. Louis Thuringer are quick to note something special about his quarters. An array of autographed pictures of internationally prominent people give his office a Hall-of-Fame atmosphere. Collecting such pictures is Thuringer's hobby.

A man who "likes to talk to everybody," Thuringer doesn't

blink an eye at taking his pen in hand and writing to Queen Elizabeth, the governors of the 48 states, or U. S. presidents, past and present.

A visitor might find it rather difficult to concentrate on business while talking to Thuringer since he can look behind the P.A.'s desk and see a picture of Harry S. Truman signed "with best personal regards." Or the

visitor could glance around the wall a little further and see President Eisenhower's signature on his picture as the SHAEF commander or signing the 1956 Thanksgiving Day proclamation.

Former President Herbert Hoover is among the autographs Thuringer prizes highly along with General Douglas MacArthur whose signature is written across a picture taken when he signed the Japanese peace treaty. "But this is only the beginning of my collection," says Thuringer who maintains his hobby is a business asset because of the comments and questions it draws from visiting suppliers. These comments "break the ice."

Several weeks ago, Thuringer mailed letters to governors of all states asking for personally signed state checks for one penny. He is also trying at the moment to get Chief Justice Warren and other members of the Supreme Court to autograph an official portrait. However, "Justice Warren is without a doubt the hardest person to contact, with the possible exception of Queen Elizabeth." A request for an autographed photograph of the British monarch was turned down by her personal secretary who courteously noted that the Queen doesn't have time for such things.

However, such rebuffs don't

deter Thuringer from his continuing search for handwriting from the famous. His current collection is actually a new edition of one he had about 15 years ago that was sold to a Chicago school. That one, he explains, totaled more than 200 signatures — "but not all of the people were prominent as the ones I have now."

### \$3 Raise Bought Him

Professionally, Thuringer does all the purchasing for Stone Container's huge Chicago factory, and supervises all buying activities of the corrugated box firm's other plants in Philadelphia, Mansfield, and Detroit.

Thuringer, 44, is native Chicagoan who began his purchasing career by chance when a client of the legal firm for which he worked as a clerk "hired me away for a \$3 a month raise to work in the company's buying department. In those days, I couldn't turn it down." Before joining Stone ten years ago, he was purchasing agent for Ever-sharp, Inc., and Borg-Erickson Company.

Collecting autographs is only one of Thuringer's hobbies,



THURINGER of Stone Container makes model planes and ships.

which center around his wife and three children. "I like to make model airplanes and ships, and just finished a 14 by 24-inch paint-by-number mural that took me three months to complete in 36 colors," he explained.

### 'I Like Talking to People'

A member of the Chicago Purchasing Agents Association, Thuringer has written several articles on the profession and spends a great deal of time traveling to Stone's plants.

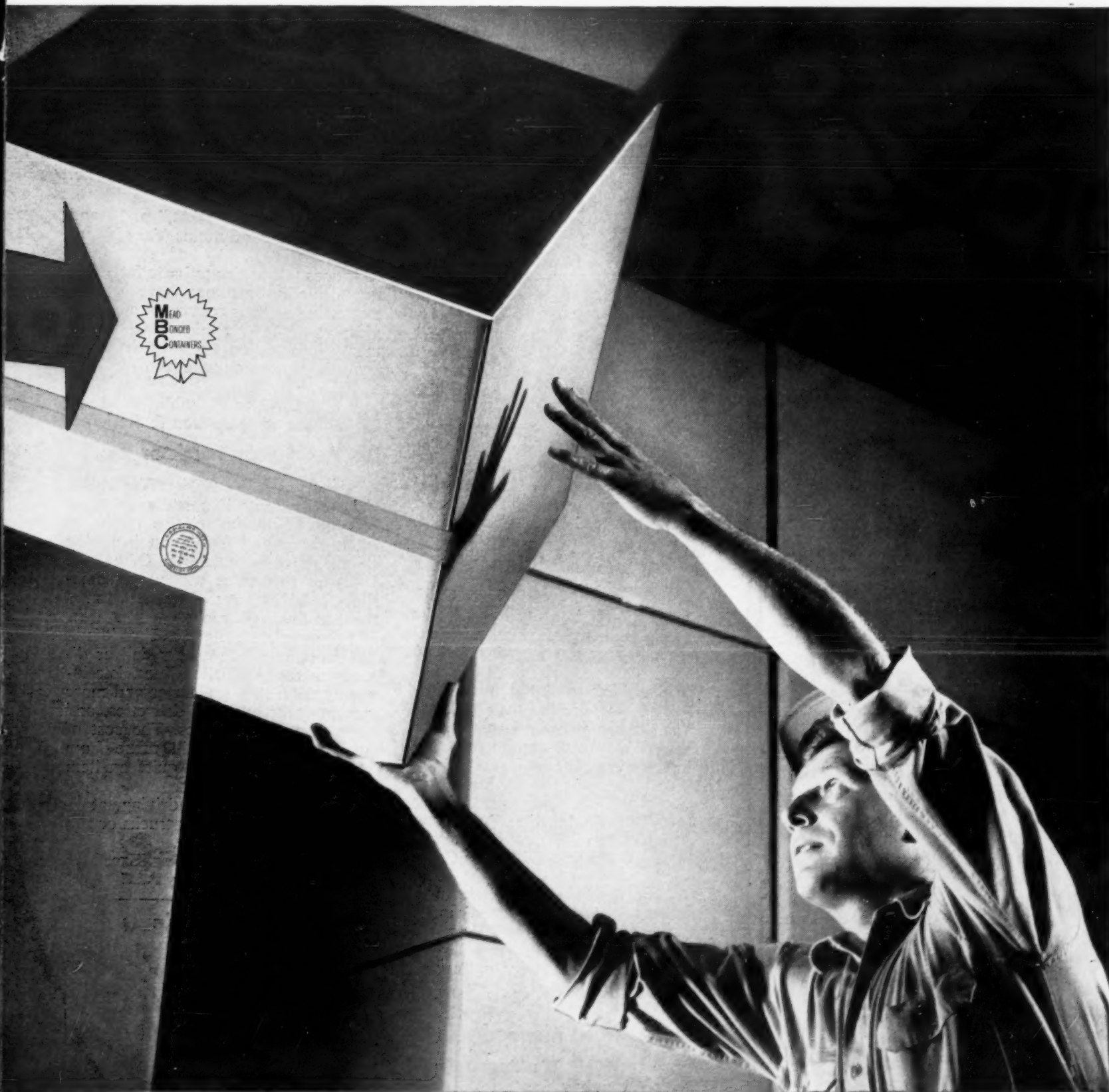
Thuringer readily explains one of the reasons why he is happy in the purchasing field. "I like talking to people—it's the most rewarding job in the world."

What are his plans for his autograph gallery? "Just gathering more pictures and sending them all over the world for signatures. After all, they can't do anything but say no."



"I'll just leave my card in case you . . ."

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# Purchasing Week

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McGraw-Hill's National Newspaper of Purchasing

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## A P.A. Should Recognize Salesmen

If you were home last Friday night, you probably were kept busy answering the doorbell and hearing the cry, "trick 'r treat." Early on Halloween it's not too difficult to recognize children from the neighborhood even though their cries are muffled by masks. But along about 10 o'clock it gets to be a real problem because the older children—youths from other neighborhoods—are the ones calling, and they know how to disguise their voices. It becomes a real problem in recognition.

Purchasing men can be a problem in recognition, too. When we look at ourselves through our own eyes or through the eyes of close associates we establish recognition immediately. However, when we take a good long, hard look at ourselves through the eyes of someone else, someone not close to us, we sometimes get an entirely different picture.

For example, anyone associated with purchasing in even the most casual way, can picture a buyer talking to a salesman. That's a routine picture; actually it is part of a buyer's routine. Everyone knows buyers interview salesmen.

But, look at the "routine picture" through another's eyes and see what a difference it makes. Here's what the president of a Midwest company says:

"Among our many customers there are a few buyers who make it a firm practice not to interview salesmen personally. The best the salesmen can do is to use the lobby telephone, and they are invariably told there is 'nothing today.'"

"This is rough on the salesmen but it is equally unfair to the employer of such buyers. Some of the companies I am talking about are large national outfits, and the wonder is how they reached their eminence without any outside help. An intelligent, experienced salesman who knows his line is a fertile source of up-to-date knowledge of what is going on in his industry. Some of his suggestions can be very profitable to the company who is open-minded enough to listen.

"Remember, we have no quarrel with the busy purchasing agent who sets up certain ground rules as to when salesmen shall call. A smart salesman can always arrange his calls to conform to these restrictions."

Somehow, that just doesn't seem like the routine picture of a buyer doing his job. Is this happening in your office? Is this the way you want it? In other words,

Do your buyers present a problem in recognition?

## Turn 'Howl and Growl' into 'How to Grow'

A purchasing agent who was doodling while listening to a conference speaker came up with an interesting piece of advice. The speaker had just cautioned his audience that the poorest way to grow in stature is to "howl and growl." The doodler took the phrase and being a good P.A. did some substituting and some streamlining. He exchanged a "to" for the "and", eliminated two "I's" and thus converted:

Howl and Growl  
into  
How to Grow.

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Editor: Raymond W. Barnett

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Robert S. Reichard, John M. Roach

#### Departments

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## Your Follow-Up File

### Diamonds Aren't as Brittle as One Might Think

New York, N. Y.

In your Aug. 18 issue, page 12, the industrial diamond spread was very well presented, and it is as good a story in pictures as I have ever seen ("Industrial Diamonds Have Wide Market; Reclaim Value High").

As a diamond man, however, I could not overlook the fact that the lower left-hand corner of page 12 mentions that the "hardness of the diamond makes it brittle" and unable to form ferrous metals.

It is true that any hard material is brittle, and that diamonds are not generally used as cutting tools for ferrous metals. However, although the diamond is many times harder than its nearest hardest abrasive, it is not as brittle as might be thought. In fact, abrasives such as silicone carbide, aluminum oxide and others are 100 times more brittle in comparison with the diamond.

For instance, in dressing a 30" grinding wheel, the diamond dresser's point of contact is only a few thousandths of an inch. There is no other known material which can stand such pressures, frictions and thermal shock as the diamond while it dresses an abrasive wheel.

Diamonds are also used for hardness testing, and the tremendous load

which is put on its very tiny point (.003 radius on diamond point) withstands a load of five kilograms. If this were converted to pounds per square inch you would get approximately 1,200,000 lb. per sq. in. pressure on the diamond!

You will certainly agree that no other known abrasive could come within a fraction of such pressures.

There are quite a number of other applications where this tiny giant outperforms any other known material.

Referring to the machining of ferrous metals, since the development of X-ray techniques for proper orientation of the diamond cutting edge, it has been possible to machine hardened steel, as well as stainless steel, under controlled conditions. The results were amazing. I would, however, not say that this is now common practice. A lot of work still has to be done in this area, but I am hopeful that at some time we will be able to machine certain metals with properly oriented diamond tools.

A lot of research is going on in this direction. It is my opinion that as time goes on we will find new applications, of which we have never dreamed.

J. Klipper

Vice President

Clipper Diamond Tool Co., Inc.

### Finds New Drill Interesting

St. Thomas, Ontario

In your Oct. 13 issue I noted an article with regard to a new type drill referred to as "Cold-Point," as manufactured by Mossberg Inc. ("New Drill Keeps Heat Out of Job; Advantages Explained for P.A.'s," p. 1).

I would be interested in having the full story on this development with regard to availability and cost and would appreciate it if you could refer this enquiry to the manufacturer.

L. D. Hoshal

Purchasing Agent

The Weatherhead Co. of Canada Ltd.

### Asks Foamed Aluminum Data

San Jose, Calif.

Thank you for introducing us to the new industrial metal, Foamed Aluminum on page 16 in your Oct. 6 issue.

We would like to obtain more information on this specific metal. Please send us the name of the manufacturer so that we may contact him for technical data.

T. D. Middleton

Buyer

Engineering Purchasing

Product Development Laboratory

International Business Machines Corp.

• It was developed by Bjorksten Research Laboratories, Madison, Wis., and they have licensed Foamalum Corp., Peru, Ill., and Dynamic Metals, Inc., Houston, Tex., to produce this material.

### Scrap Institute Pleased

Washington, D. C.

That's certainly a fine feature story on scrap in your Oct. 13 issue ("Scrap Price Differential Depends on Dealer's

Cost to Get It to Market," p. 12 and "Scrap Handling Systems Vary by Industry," p. 14).

It does full justice to basic facts that our dealers sometimes have trouble expressing to their customers and provides your P.A. readers with good, meaty information on scrap handling procedures at various industries.

W. S. Story

Director of Public Relations

Institute of Scrap Iron & Steel Inc.

### Do You Favor Truck or Rail?

New York State

Do you know if a study has ever been made on the relative merits of truck versus rail freight on incoming shipments of merchandise? Of course, I realize that rates will vary, sometimes being in favor of rail and sometimes in favor of trucks.

The principal savings as I see it is in less handling when trucks deliver directly to the production lines, less inventory as a result of faster and more accurate scheduling of deliveries, and occasionally lower rates. The cost of carrying inventories will range from 12% to 17% which is quite an item in itself.

What I am really driving at is whether we should favor trucks or rail on incoming shipments?

A Purchasing Executive

• Can you help this P.A.?

### To Our Readers

This is your column. Write on any subject you think will interest purchasing executives. While your letters should be signed, if you prefer we'll publish them anonymously.

Send your letters to: "Your Follow-Up File," PURCHASING WEEK, 330 West 42nd St., New York 36, N. Y.



## PURCHASING WEEK Asks You . . .

Most purchasing agents have a pet phrase or mannerism for signalling to the salesman that it's about time he was shoving off. What's your method of tactfully saying "Time's up"?



**H. P. Nalley**  
Nelson Stud Welding  
Division of Gregory Industries, Inc.  
Lorain, Ohio

"A call from the receptionist announcing the arrival of another salesman gives me an opportunity to answer aloud, 'in a couple of minutes' and this usually suffices. If not, I question the salesman about other stops he has in the area and he takes the hint. If neither of these methods work, I politely ask him to leave."

**W. R. Reekie**  
New Hampshire Ball Bearings, Inc.  
Peterborough, N. H.

"As I have engineering duties as well as purchasing, and, having capable assistants, I see fewer salesmen than I did when the company was smaller. Usually, those I do see are at my request, to get information about products or services. When there is no more to be gained by the interview I tell the salesman I have other things to do and thank him kindly. No good salesman wants to waste a customer's time and I think they appreciate frankness."



**T. F. Griffin**  
Worthington Corp., Harrison, N. J.

"We believe salesmen should be received promptly and courteously and allowed sufficient time to make their presentation. The time allotted for the interview is generally in direct relation to the importance of the negotiation under discussion. We avoid unduly long and irrelevant conversation by skilfully conducting the interview rather than being subject to it. This technique enables us to get the information we consider pertinent and close the interview, graciously, at our discretion."



**R. L. Scanlon**  
Berger Engineering Co., Seattle, Wash.

"We have a sign in our reception office which gives days and hours of interviews. If a salesman overstays his time, he is diplomatically reminded that other salesmen are waiting or we are too busy to continue. In cases for price or material review, a special appointment is given to the salesman so no interruptions will occur. We boast good buyer and seller relations, but suggest to all salesmen, 'Be as brief as possible—do not discuss daily news when you have an inkling the P.A. wants to close the interview.'"



**J. R. Rex**  
Nello L. Teer Co., Durham, N. C.

"Whenever the sales talk is over and I think time's up, I arise, extend my hand, thank the salesman for calling and I assure him that his name and the name of the company he represents will be placed in our files. I invite him to call again on his next trip to town."



### A Correction

J. S. Babiy, purchasing manager of Permacel, New Brunswick, N. J., was one of the respondents to PURCHASING WEEK's question last week. The photograph published with the reply was not of Mr. Babiy. The correct photo is published at right.



Suggest a Question to

PURCHASING WEEK Asks You  
330 W. 42nd Street  
New York 36, N. Y.

## New Mine Ups World's Asbestos Supply 7%

**Black Lake, Que.**—A new asbestos mine near here should soften the asbestos market. It increases the available free world's production of this natural mineral fiber by 100,000 tons a year—an appreciable 7% increase.

But the opening of the new mine and mill, by Ameriman Smelting & Refining Co., followed closely a new mine-mill combination by Phillip Carey in the same area, has had little effect on the slow-to-change market price. Part of the reason is that the Province of Quebec produces 60% of the world's asbestos fibre. Mining and sales are closely watched by the Quebec Asbestos Mining Association, an organization of the seven producing companies.

Another reason is that A.S.A.R.CO. through its new Canadian subsidiary, Lake Asbestos of Quebec, Ltd., is entering a brand new field. Unlike the other seven producers, it does not plan to use the product itself. Instead it will sell on the industrial market.

Although the United States consumes

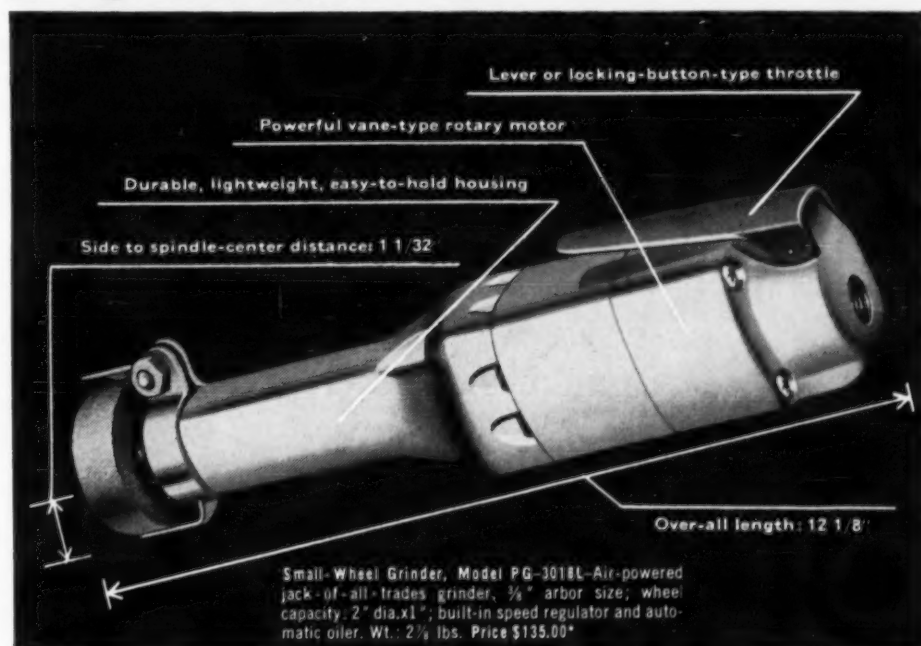
45% of the world's asbestos, it produces only about 2%. The only operating domestic mine and mill of any size is Ruberoid's mill in Vermont.

American Smelting, principally a primary metal producer, has staked \$32½ million in the venture at Lake Asbestos. Of this total, \$9½ million went into one of the most modern mills in Canada. But the rest is invested in the difficult engineering task of draining a 500-acre lake under which this valuable deposit was discovered. Removal of 37 million tons of overburden also increases the investment.

Selling on the open asbestos market as a new supplier, A.S.A.R.CO. is not apt to buck the existing setup even though at present production of asbestos exceeds consumption. Most industry observers agree that Johns-Manville controls about 80% of the market. Any price cutting for immediate gain of a large share of the market would jeopardize the company's write-off of its new Canadian investment.

Pictures On Next Page

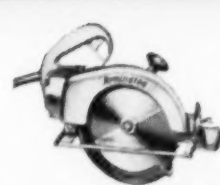
## POWER to boost job efficiency with REMINGTON tools



**Drill, Model 381—**¾" capacity; compact; 2.5, 115-volt motor; free speed; 800 rpm; full ball-bearing construction and precision-cut gears. Price \$59.00\*



**Flexible Shaft Machine, Model 8FGP—**3-hp, totally enclosed dust- and vapor-proof induction motor geared for 4,500 rpm; 220/440 volts; sealed ball bearings. Price \$370.00\*



**Circular Saw, Model 108—**10" blade; super-duty, super-torque worm drive; 13-amp. motor; 3,500 rpm; rugged, lightweight; 20 lbs. Price \$195.00\*

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## New Asbestos Mine Supplies Growing Industry



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**ASBESTOS TAPE** woven from longer fibers protects electric cables from abrasion and moisture encountered in manholes.



**FIRE RESISTANT CLOTH** of asbestos is used for welder's curtains and fire fighters' clothing. The cloth will not burn.



**INDUS**  
high s





**PURCHASING AGENT** Keith Anderson of A.S.A.R.CO.'s subsidiary, Lake Asbestos Corp., on dedication day escorted visitors on tour of the 600-ft. deep open pit mine.



**PRIME MINISTER** Maurice Duplessis acknowledged that \$34-million investment from the United States made new industry possible.



**SEPARATING THE MINERAL FIBER** from the rock matrix is a repetitive operation. After each crushing, the product passes over another vibrating screen where the fibers are suctioned off.

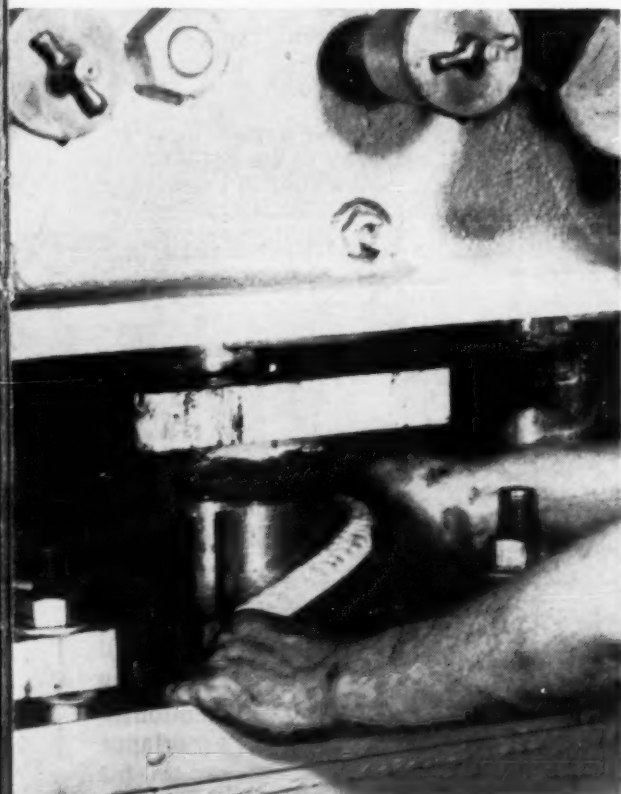


**PRESSURE-PACKED 100-lb. bags** of graded asbestos from mill increase free world's supply by 7%.

industry.

## Uses

the story on page 11



**TRIAL PACKING** of asbestos takes advantage of the strength of the fiber, four times greater than nylon.



**MAINTENANCE FREE SIDING** on new 14-story mill typifies growing market for asbestos in housing.



**EVEN MISSILES** use this age-old fiber. As a filler in phenolic plastics, heat resistant asbestos is now being used in nose cones and blast diverters.



# You Can Do Creative Purchasing

## Ziegler Defines Creative Purchasing

Creative purchasing is profitable management of materials. It involves an understanding of the function of the job to be performed by the material in question, the sales potential of the final product, and the feasibility of producing it yourself as distinct from having its manufacture sub-contracted.

This clearly involves a full understanding on the part of the purchasing agent of the total company operations; not only present methods and practices but also future plans. In addition, it involves an understanding of business trends, money markets, raw material, prices, and other related matters.

**Q.** Your definition of creative purchasing implies a pre-recognition of purchasing by management. Where should management place procurement personnel to acquire over-all company viewpoint of creative purchasing?

**A.** In my opinion, the individual charged with over-all responsibility for procurement for a large corporation should be a part of management with at least a title of vice president. He should have as much voice in management as heads of engineering, production, finance, or sales. The smaller company also should have its purchasing agent on the same level, reporting directly to the general manager or president.

**Q.** How do you assure that the P.A. in your company has the overall view?

**A.** It's his job! We make it easy for him. We spend much time with him, explaining sales policy, company's position in the industry, manufacturing problems, procedures, financial problems, etc. The P.A. has a complete over-all look at where the company has been and where it hopes to go. Only in this way can the purchasing man not only do a good procurement job, but a good selling job, which, in his

position, is a very important function.

**Q.** What should a purchasing agent's report to management include to indicate that he is doing creative purchasing?

**A.** If the P.A. has a truly creative approach to his job, it will be reflected in his report to management. Specifically, he should report to management on new materials available for an existing product, possibility of price changes, strikes, service availability, etc. He should report his considered views on whether work should be sub-contracted either to reduce cost or ease the work load within his own organization.

He should be able to pick up ideas on improving his own company's manufacturing procedures from visits to suppliers' plants. Such ideas should be reported to management.

**Q.** Do you feel that a purchasing agent in a company with many standards and specifications has less chance to exercise creative purchasing?

**A.** Yes. Tight standards and specifications limit not only sources but also the possibility of using different materials. However, even where tight standards and specifications do exist, the

purchasing agent still performs a most important function. It's his job to check supplier sources on availability, production know-how, and price. But even where he is restricted to tight standards, the P.A. still can perform a creative purchasing function.

**Q.** Do you think P.A.'s in growth industries have greater opportunities for advancement to top management than those in older industries?

**A.** I would say that this depends largely on the particular company and industry involved. However, it has been my observation that the purchasing agent can bring new ideas into older companies which have, in many cases, failed to establish modern, efficient procurement policies.

**Q.** Some few companies have eliminated their purchasing departments, with each department procuring its own requirements. What do you think of this action?

**A.** In any manufacturing operation I have known, this simply would not make sense. In fact, purchasing is about the most valuable department a company can have. If, for example, the company is in financial difficulties, purchasing is the department most likely to provide fast relief.

**Q.** Can you state an example of creative purchasing?

**A.** Yes, in the products my company supplies to purchasing agents—both wire pulling tools and cable support systems.

You will recall that a part of my definition of creative purchasing is "understanding the function to be performed by the material in question." Here is an application of that concept: Engineers may specify conduit for cables in a plant. If the purchasing agent merely gets bids from conduit manufacturers, he is not doing his job. He should know about other cable supporting systems; conduit is not always neces-

sary. An open type supporting system often is just as suitable, at greatly reduced installed and operating costs.

The P.A. should suggest to engineering and to management, if necessary, that other types of cable supports be considered. Creative purchasing of this order will soon indicate to management that the buyer is saving the company needless expenses. Such recognition will be rewarded.

**Q.** You have reduced your company procurement from 60% of sales to 40%. What are some of the things done by purchasing to accomplish this reduction?

**A.** The purchasing department analyzed materials used in our several product lines and reported that savings could be effected by carrying larger inventories of some raw materials. Obviously, larger inventories involved higher costs for additional insurance, space, working capital tie-up, and so forth. Whether cost savings of larger inventories offset the additional expense was a management decision. But this decision was based primarily on recommendations received from purchasing.

We were also able to reduce procurement costs by standardizing materials used in various product lines. The recommendations originated with purchasing.

Finally, we reduced the number of suppliers. This helped in two ways. First, because we gave a greater volume to a given supplier, he was willing to provide better service. Second, our own accounts were simplified, and overhead in paperwork was reduced.

Let's point out, however, that although it is often desirable to decrease the number of suppliers, this action may be dangerous. It is necessary constantly to check your favored supplier to be certain costs are kept in line.

**Q.** Do you feel creative pur-

chasing experience is good training for top management responsibilities?

**A.** Yes. The man with a background in purchasing learns to ask the penetrating questions. He learns to digest facts quickly—to cut through emotional claims with an analytical mind. He wants information presented clearly, concisely, and in terms of what the product can do for his company—his company as a whole. His objectives must closely parallel those of management.

The way to the top may often lead through other departments than purchasing. For example, purchasing is an excellent background for selling because the P.A. has had experience on the other side of the desk.

T. J. Cope, Inc., recently closed the largest contract the company ever had. Months of negotiations with engineering and purchasing departments were required. I am not at all sure we would have the contract if I had not had experience in procurement. Alert and creative purchasing experience pays off in many ways.

P.A.'s also develop skill in human relations. This is more important than technical knowledge.

## Salesman Must Know Products, Speaker Says

**Los Angeles**—A product's limitations as well as its adaptability should be outlined to a prospective customer, members of the Los Angeles Chamber of Commerce were told by a supply company executive.

In discussing the relationship between the product representative and the company purchasing agent, Clarence F. Bowers, president of Tri-State Supply Corp. said a salesman must be well educated in his product, knowing its adaptability and limitations.

He emphasized the importance of a sales training program for personnel of an agency or distributor.

## Ziegler, Once Purchasing Agent, Now Vice President



Through purchasing experience gained since World War II, Allan M. Ziegler has progressed to his present position as vice president of Rome

Cable Corp. This Rome, N. Y., company has annual sales of over \$50 million. From the time of his first position as a buyer with Philco Corp. Ziegler recognized the value of creative purchasing.

After his postwar buying experience at Philco, Ziegler became purchasing agent for a small wire forming company on the verge of bankruptcy. Six months after joining this company, Ziegler became general manager. Within five years the company was in the black and was sold in 1954 for \$350,000.

Ziegler next joined the new parent company, T. J. Cope, Inc., as purchasing agent. The following year he became general manager of Cope. In 1957 Cope was purchased by Rome Cable Corp. Ziegler, just two months ago, was named vice president of Rome Cable, continuing as general manager of Cope.

To find out what part "creative purchasing" has played in Ziegler's managerial successes, PURCHASING WEEK held the following question-and-answer session with him.



# Meetings You May Want to Attend

## First Listing

**National Association of State Purchasing Officials**—Annual Meeting, Carillon Hotel, Miami Beach, Nov. 11-14.

**Institute of Surplus Dealers**—9th Annual Trade Show and Convention, New York Trade Show Building, New York, Jan. 25-28.

**American Society of Heating and Air-Conditioning Engineers**—65th Annual Meeting and 14th International Heating and Air-Conditioning Exposition, Philadelphia, Jan. 26-30.

**Newspaper Purchasing Executives Group**—2nd Annual Conference, Sheraton Hotel, Chicago, Jan. 30-31.

**American Society of Metals**—11th Western Metal Exposition and Congress, Pan-Pacific Auditorium and Ambassador Hotel, Los Angeles, March 16-20.

## Previously Listed

### NOVEMBER

**Canadian National Packaging Exposition**—Automotive Building, Exhibition Grounds, Toronto, Nov. 4-6.

**Purchasing Agents Association of Toledo**—Annual Serv-A-Show, Civic Auditorium, Toledo, Nov. 4-6.

**American Management Association**—Workshop Seminar (two sessions), Organization and Management of the Purchasing Department, Hotel Astor, New York, Nov. 10-12 and Dec. 15-17.

**National Electrical Contractors Association**—Annual Convention and National Electrical Exposition, Adolphus Hotel, Dallas, Nov. 16-21.

**Instrumentation Conference and Exhibit**—Biltmore Hotel, Atlanta, Nov. 17-19.

**Society of the Plastics Industry**—8th National Plastics Exposition, International Amphitheatre, Chicago, Nov. 17-21.

**9th National Conference on Standards**—Hotel Roosevelt, New York, Nov. 18-20.

**Purchasing Agents Association of Cleveland**—Purchasing-Sales Night, Hotel Carter, Cleveland, Nov. 20.

**National Retail Lumber Dealers Association**—5th Annual Building Products Exposition, International Amphitheatre, Chicago, Nov. 22-25.

### DECEMBER

**American Society of Mechanical Engineers**—23rd National Exposition of Power and Mechanical Engineering, Coliseum, New York, Dec. 1-5.

### 1959

#### JANUARY

**American Management Association**—Advanced Workshop on Management of the Purchasing Department, Hotel Astor, New York, Jan. 12-14.

**10th Plant Maintenance & Engineering Show**—Public Auditorium, Cleveland, Jan. 26-29.

#### FEBRUARY

**Materials Handling in Canadian Industry Exposition**—The Automotive Building, Exhibition Park, Toronto, Feb. 2-6.

**Society of the Plastics Industry**—14th Annual Technical and Management Conference, Reinforced Plastics Division, Edgewater Beach Hotel, Chicago, Feb. 3-5.

**Purchasing Agents Association of Alabama**—Annual Seller-Buyer Dinner, Feb. 12.

**American Management Association**—Workshop Seminar, (two sessions), Organization and Management of the Purchasing Department, Hotel Astor, New York, Feb. 9-11 and March 18-20.

**Purchasing Agents Association of St. Louis**—St. Louis Products Display, Sheraton-Jefferson Hotel, St. Louis, Feb. 12-13.

## Ontario P.A.'s Attend Educational Meeting

**London, Ontario**—More than 120 Western Ontario P.A.'s attended an intensive one-day educational conference here Oct. 18. It was sponsored by the Purchasing Agents Association of Western Ontario.

The sixth annual provincial meeting provided short, sharp doses of educational information on a wide range of subjects. J. P. Gray (Shell), John G. Bigelow (Reichhold Chemicals), and T. R. Chambers (Dow) explained various qualities of epoxy resins, polyesters, and polyethylene. J. F. Stephens (Bathurst Containers), give a quick report on new developments in packaging and merchandising.

A "What's New in Value Analysis?" panel, headed by A. S. Harrison, Ford Motor Co.'s director of purchasing, brought considerable discussion about latest U. S. methods.

Joseph Washington, assistant professor of the school of business administration, University of Western Ontario, presented a series of case histories on purchasing procedure. He followed a series of purchases step by step from the time the new equipment was needed until the time it was bought and installed.

"These meetings are becoming increasingly important," said W. A. Small, executive secretary of the Canadian Association of Purchasing Agents, "particularly as the P.A.'s realize the need to keep abreast of developments in a fast moving field."

**Purchasing Agents Association of Chicago**—25th Annual Products Show, Morrison Hotel, Chicago, Feb. 17-19.

### MARCH

**The Lighting, Lamps and Electrical Manufacturers Salesmen's Association**—2nd National Lighting Exposition, Coliseum, New York, March 1-4.

**American Management Association**—Workshop Seminar, Organization and Management of the Purchasing Department, La Salle Hotel, Chicago, March 16-18.

**Purchasing Agents Association of Indianapolis**—1959 Indiana Industrial Show, Manufacturers Building, State Fair Ground, Indianapolis, March 18-20.

### APRIL

**American Welding Society**—40th Annual Convention and Exposition, Chicago, April 6-8.

**22nd Annual Pacific Northwest Purchasing Agents' Conference**—Co-sponsored by the British Columbia, Oregon and Washington Purchasing Agents Associations, Olympic Hotel, Seattle, April 24-25.

### MAY

**Triple Industrial Supply Convention**—Dallas, May 13-15.

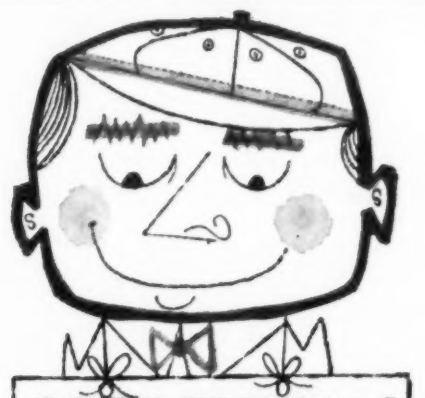
### JUNE

**National Association of Purchasing Agents**—44th Convention and Inform-A-Show, Waldorf-Astoria Hotel, New York, June 14-17.

## List Your Meetings

Associations, societies, and committees interested in calling the attention of readers of *Purchasing Week* to their meetings are welcome to use this column. The gathering should be one of interest to purchasing agents. There is no charge.

Send announcements to: Meetings Calendar, *Purchasing Week*, 330 West 42nd Street, New York 36, N. Y.



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It is easy to see why concave sides insure far longer belt life...and make Gates V-Belts the first choice of industry everywhere.

Just make this simple test: bend a Gates V-Belt as if it were going around a sheave. Feel how the concave sides (Fig. 1) fill out...become perfectly straight (Fig. 1-A).

Note how this belt thus makes full contact with the sides of a sheave...grips the sheave evenly, distributing wear uniformly across the sides of the belt. Uniform wear lengthens belt life—keeps costs down.

With a straight-sided belt (Fig. 2) the sides bulge out when the belt is bent, and wear is concentrated on the bulge (Fig. 2-A). Uneven wear shortens belt life—increases belt costs.

Because Gates V-Belts with concave sides are so universally preferred, they are also the most widely available. There are Gates Distributor stocks in industrial centers throughout the world.

**The Gates Rubber Company, Denver, Colorado**



World's Largest Maker of V-Belts

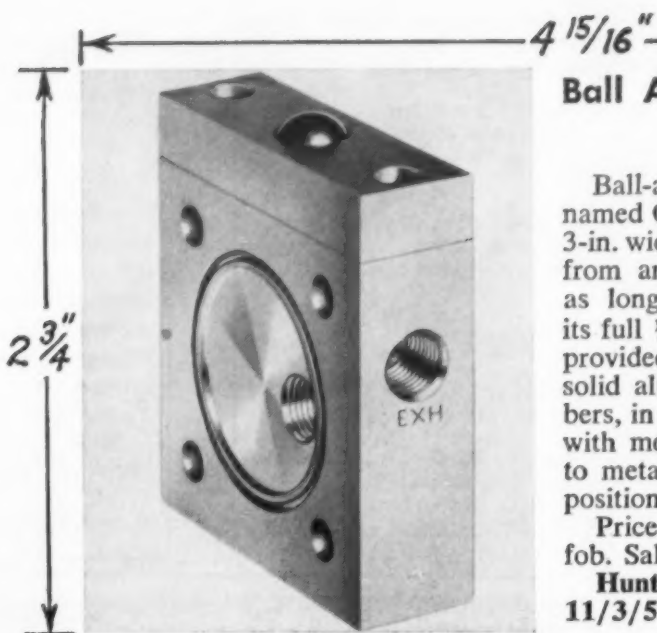
TPA 351

**Gates VULCO ROPE Drives**



## Here's your weekly guide to . . .

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### Ball Actuated Valve

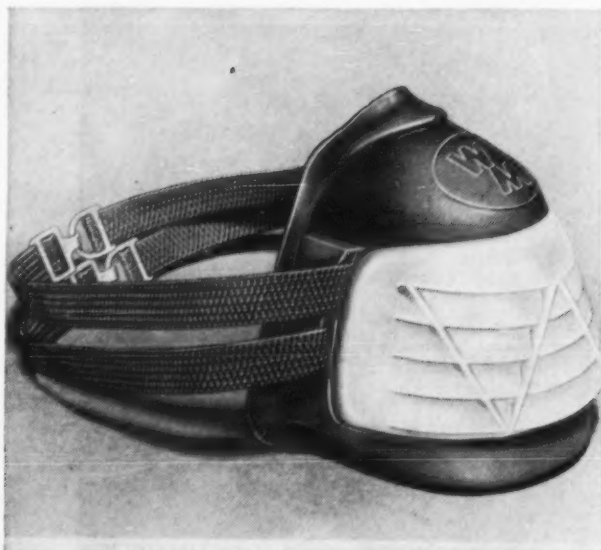
Only 1-in. Thick

Ball-actuated spring return valve, named Quick-As-Wink, is 1-in. thick and 3-in. wide. Ball actuator can be depressed from any peripheral point of 360 deg. as long as the valve plunger is given its full  $\frac{1}{8}$  in. travel.  $\frac{3}{4}$  in. over-travel is provided. Valve housing is milled from solid aluminum bar stock. Valve chambers, in straight through bore, are formed with metal spacers held rigidly in metal to metal spacers end abutment. Spacers position the "O"-ring seals.

Price: \$15.75 (3-way), \$17.75 (4-way), fob. Salem. Delivery: 2 to 3 wk.

Hunt Valve Co., Salem, Ohio. (P.W., 11/3/58)

*Size permits you to paste  
on 3x5 card  
Copy gives only pertinent  
details, cuts your  
reading  
How much it costs and  
how soon you can get it  
You'll know when item  
appeared*



### Respirator

Made of Plastic

Air-Raider plastic respirator protects against dusts, pneumoconiosis - producing mists, and chromic acid mists. Modified polyethylene construction is noncorrosive and resistant to exposure. Material offsets permanent physical distortion. Model 7100 weighs 2.1 oz. complete.

Price: \$4.35. Delivery: immediate.

Welsh Mfg. Co., 50 Magnolia St., Providence 9, R. I. (P.W., 11/3/58)



### Stainless Steel Strainer

For Liquid Lines

Stainless steel line strainer is designed for filtration of fluids containing foreign solids. It has a rated flow capacity of 1,000 gph. with maximum view glass pressure of 50 psi. Strainer is made to "clean in place" by opening clamp fitting at top and removing the filter screen. Air vent adjustment permits easy releasing of air bound lines. Strainer can be supplied with inlet and outlet fittings to specification. Overall size is  $6\frac{1}{2}$  x  $6\frac{1}{2}$  x 13 in. high.

Price: \$125. Delivery: within 1 wk. Terriss Div., Consolidated Siphon Supply Co., Inc., 22 Wooster St., New York, N. Y. (P.W., 11/3/58)



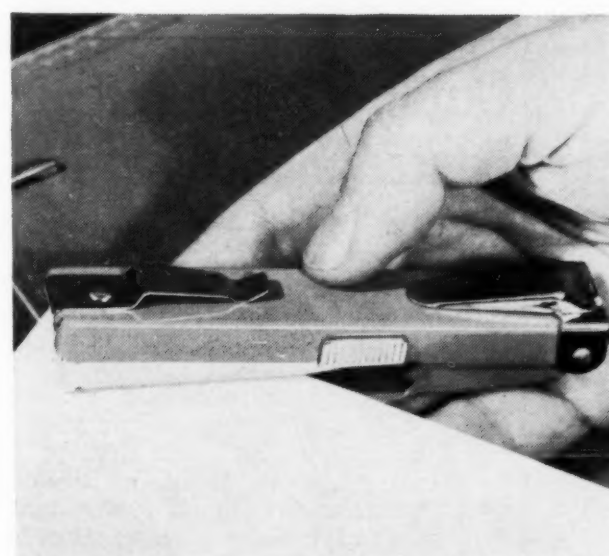
### 9-In. Radial Saw

For General Woodworking

Super 900 9-in. radial saw is for general woodworking in all industries. It may be used for light construction work in woodworking and furniture making, and in metalworking production operations for such jobs as cutting sheeting, tubing, extrusions, etc. Super 900 saw has cross-cut capacity of 15 in. and will rip to center of 48 in. panel. Maximum cut depth is  $2\frac{1}{2}$  in. Full load motor speed on 60-cy. current is 3,450 rpm.

Price: \$239 (bench model), \$257 (with steel stand). Delivery: immediate.

Delta Power Tool Division, Rockwell Mfg. Co., 439 N. Lexington Ave., Pittsburgh 8, Pa. (P.W. 11/3/58)



### Staplers

One is Pocket-Sized

Model B12 standard desk stapler holds 210 standard staples. It has adjustable clincher for permanent fastening and head can swing back for tacking. Model B8 pocket-sized stapler has its own clip for pocket carrying.

Price: \$5.95 (Model B12), \$3.25 (Model B8) slightly higher in west. Delivery: immediate.

Bostitch, 2002 Briggs Drive, East Greenwich, R. I. (P.W. 11/3/58)



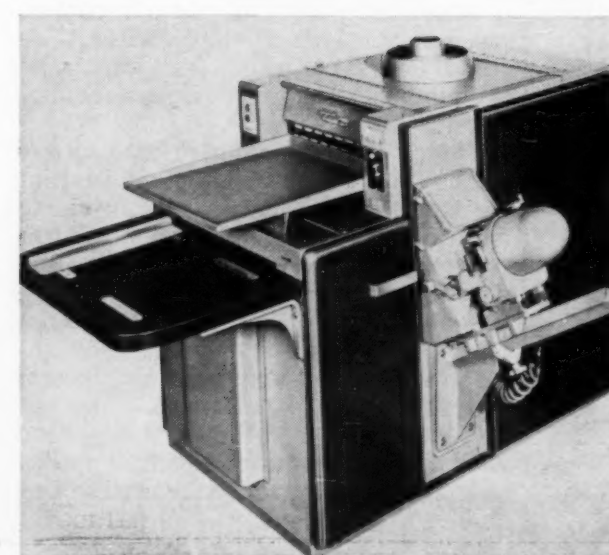
### 500-W. Cleaner

For Ultrasonic Cleaning

Series 5,000 SonBlaster ultrasonic cleaner is for large-volume cleaning operations. Cleaner has a generator with full 500-w. output, plus a fully transducerized 10-gal. tank. Generator is equipped with tank selector and load selector switches to operate 1 or 2 tanks alternately.

Price: \$1,325. Delivery: immediate.

Narda Ultrasonics Corp., 625 Main St., Waterbury, L. I., N. Y. (P.W. 11/3/58)



### Reproduction Machine

Enlarges Records

Copytron Model 1000 enlarger-printer makes positive enlargements of micro-filmed records. It enlarges and reproduces records which have been reduced to 35 millimeter microfilm size.

Price: \$9,750. (Also possible to lease Copytron at \$280 a month). Delivery: 60 days.

Charles Bruning Co. Inc., 1800 W. Central Rd., Mt. Prospect, Ill. (P.W. 11/3/58)



# New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



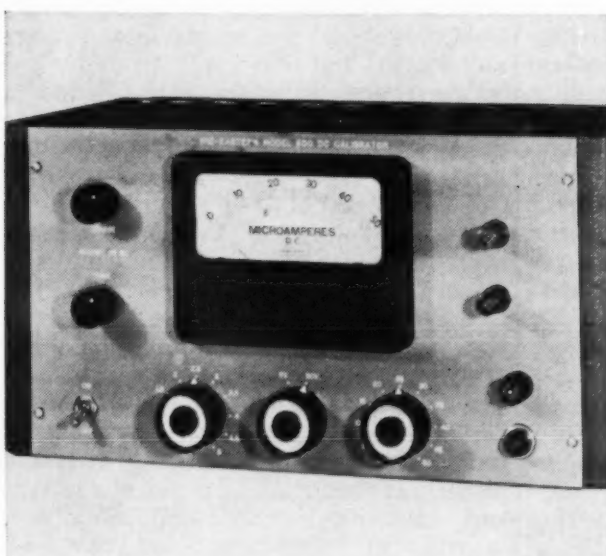
## Steel Tape Measure

### Easy to Read Scale

Dial-50 steel tape offers accurate measurements, compactness, ease of handling, and ability to withstand abuse. Tape comes in a steel reinforced, unbreakable styrene case. The 50-ft. tape is wound by holding the case in palm of hand and dialing, like on a telephone.

Price: \$3. Delivery: immediate.

**Justus Roe & Sons, Inc., Roe Court, Patchogue, N. Y. (P.W. 11/3/58)**



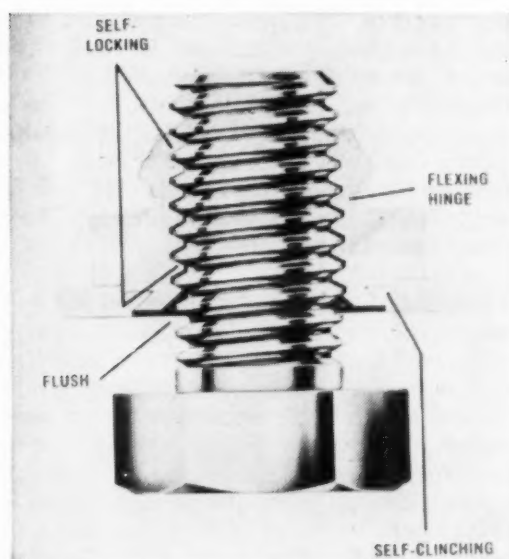
## Calibrator

### Gives Precise Voltages

Model 600 calibrator gives accurate voltages when calibrating a piece of electrical equipment. Instrument has 2 output voltage ranges from 0 to 5 v. and 0 to 50 v. d.c., with available current up to 5 ma.

Price: \$295 (Model 600). Other models vary in price. Delivery: immediate.

**Mid-Eastern Electronics Inc., 32C Commerce St., Springfield, N. J. (P.W. 11/3/58)**



## All-Metal Nut

### Self-Locking, Self-Clinching

All-metal, self-locking, self-clinching nut is for sheet metal fastening. Self-clinching design employs a clinching ring which, when squeezing pressure is applied, causes the sheet metal to flow around a back-tapered shank, securing locking fastener in the sheet with a flush fit on reverse side. High torque and high pull-out are provided.

Price: from \$51 (steel, type LK) to \$100 (stainless, type LKS) to \$62 (steel) to \$135 (stainless). Delivery: immediate.

**Penn Engineering & Mfg. Corp., Doylestown, Pa. (P.W. 11/3/58)**



## Buchner Funnel

### Linear Polyethylene

Linear polyethylene buchner funnel is designed for the filtration of corrosive slurries. Funnel is made of high density polyethylene and is equipped with an inclined bottom to provide complete drainage. It is fitted with a polyethylene drain spigot.

Price: \$265. Delivery: 3 days.

**American Agile Corp., 5461 Dunham Rd., Maple Heights, Ohio (P.W. 11/3/58)**

## This Week's

# Product Perspective

NOVEMBER 3-9

**The big three in lighting**—General Electric Co., Westinghouse Electric Corp., Sylvania Electric Products Inc.—are close to making a marketing reality of a new light source. It's called electroluminescence.

Saying that mouthful of letters is about as difficult as describing how it works. But, roughly, the new source produces light this way:

Light comes from the entire surface of a two-dimensional panel. Three layers make up the panel: The outside two are translucent and conduct electricity; the inner layer is made up of phosphors. You get light when you apply an electric current to the outer layers. Individual phosphor atoms pick up electrons from the applied current. The phosphor atoms become unstable and to get back to normal they throw out photons which are light particles.

Chief problem the big three face is improving the source's efficiency. Right now an uneconomical amount of electricity is needed to produce light in quantities comparable to conventional sources. This will give you an idea of how much light is made available: It would take an area 20-ft. square (400 sq. ft.) of white electroluminescent panels to produce the same amount of light as a 60-w. incandescent bulb.

Color, too, is a problem. It's easy to get green light from present phosphors; white light needs a mixture of phosphors, is not as bright as green. And light output falls off gradually as the source ages.

Even so lighting people feel that once these are licked, they'll have a light source that's cheaper to operate and will last much longer.

But for the time being, low-brightness applications are the best prospect for electroluminescence. Westinghouse, this month, is putting an electroluminescent night light on the consumer market. It's a small square of light that lies flat against the wall outlet.

Sylvania has marketed radio dials, clock faces, and instrument faces using electroluminescence. It has also tied up with an auto company that plans to use the source on dashboards of 1960 automobiles.

Looking ahead, electroluminescence has some unusual potentials. Panels are lightweight, can be shaped to almost any contour. They could even conceivably be made into curtains, drapes, or clothing. And they combine both the light source and the reflector or diffuser into a flat sheet.

• • •

There are some changes ahead for printed-circuit (see p.18) makers. The Institute of Printed Circuits' first meeting heard users demand standardization, reliability, better base materials—all at still lower costs. This is the outlook for the industry:

- Material developers will have to come up with a low-cost board that will withstand 125C. for at least 7 yr. It's needed to take high temperatures in TV sets. The sets are using more power, have less area to dissipate the generated heat.

- Automobile dashboards are only so big. But Detroit is crowding them with more and more new accessories. So auto radio makers are being forced to make their product smaller. One way may be to stack small printed-circuit boards one on top of another with connections and components placed between the boards.

- Successful printed-circuit methods and ideas will see more standardization. And soldering standards are in for an overhaul. There are too many different methods.

- Industrial users want printed circuits with more dimensional stability, consistent electrical properties, resistance to humidity, and a way to control contamination. The latter is the prime cause of breakdowns.

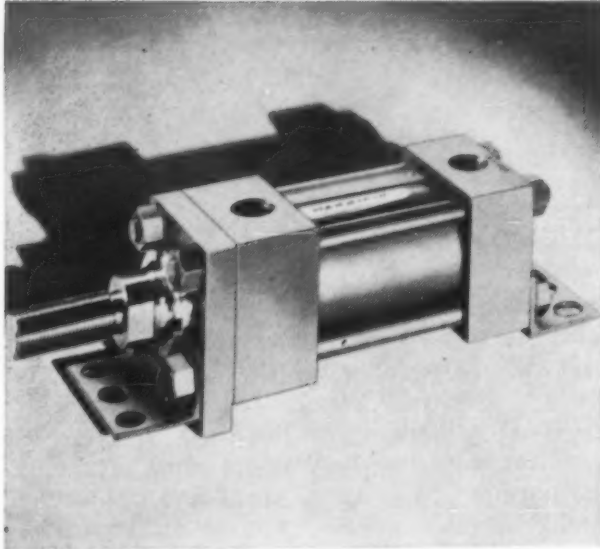
- Circuit boards of the future will be made of ceramics for certain applications. Work is already underway with punching and firing ceramics.

- Components will be miniaturized to fit lines and spacing as narrow as 0.002 and 0.001 in. (Present line widths in production are as small as 1/32 in. Spacings of 0.002 to 0.003 have been made, but cost too much for other than special applications.) Five years from now, if the miniaturization trend continues, digital computers for airborne guidance will be small enough to hold in your hand.



## Your Guide to New Products

(Continued from page 17)



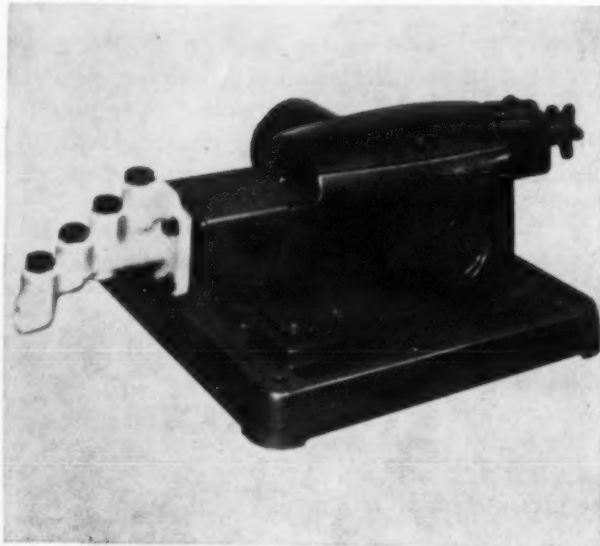
### Cylinder Mountings

#### Shear Key Type

"P" modification shear key mounting innovation is a standard for all surface-mounted, square type cylinders. Arrangement allows quick, positive alignment of cylinder in a keyway milled into the mounting surface. Available for series "H" and "A" cylinders.

Price: \$6 to \$15 (depending on cylinder size). Delivery: immediate

**Hannifin Co., Dept. 354, Des Plaines, Ill. (P.W. 11/3/58)**



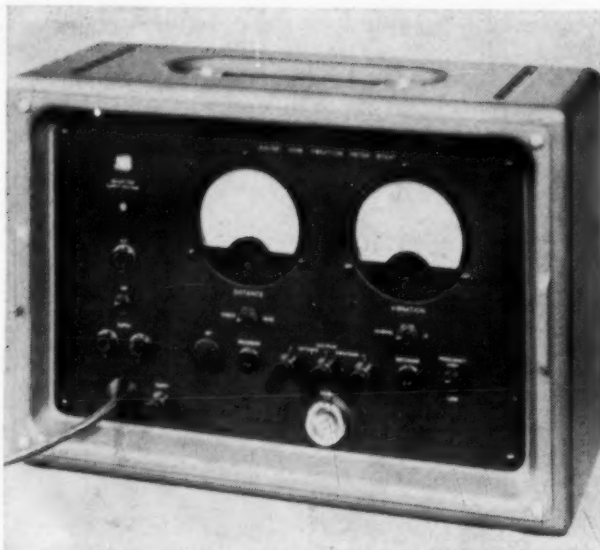
### Controlled Vol. Pumps

#### Use Minimum Parts

Milroyal controlled volume pumps use a minimum of working parts and bearing surfaces to translate high speed rotary motion to low speed reciprocating motion.

Price: from \$500 to \$1,000 (depending on size and material of construction). Delivery: immediate.

**Milton Roy Co., 1313 East Mermaid Lane, Philadelphia 18, Pa. (P.W. 11/3/58)**



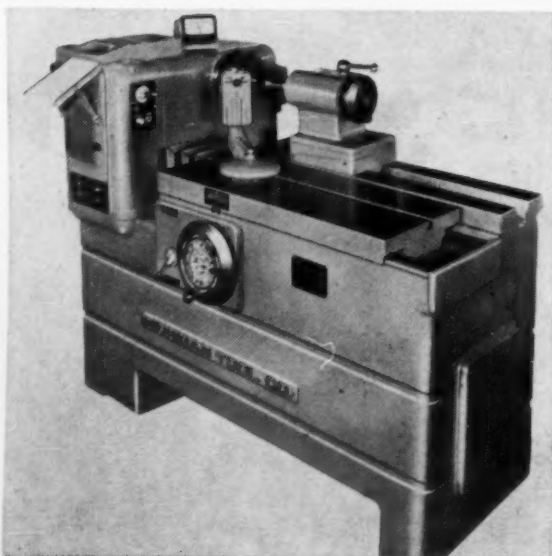
### Vibration Meter

#### Measures Distance

Type B-731A vibration meter measures distance and vibration. Non-contracting probe, connected to a 50 kc. oscillator and suitable amplifying equipment, is brought into proximity with the object under test. Capacitance so formed is interpreted in terms of distance and peak-to-peak vibration.

Price: \$1,200 (complete), Delivery: within 90 days.

**Wayne Kerr Corp., Philadelphia 33, Pa. (P.W. 11/3/58)**



### Lead-Measuring Instr.

#### Uses Built-In Optics

Model 1218A gear checker precision checks gear leads from zero to infinity. Sine-bar controlled machine, although primarily designed for external and internal helical gears and spur gears, also checks right or left hand leads on herringbones or worms. Checking instrument has capacity for gears to 18 in. in dia. with shaft lengths to 24 in.

Price: \$19,000. Delivery: 12 wk. minimum.

**Michigan Tool Co., 7171 E. McNichols Rd., Detroit 12, Mich. (P.W. 11/3/58)**

## Profitable Reading for P.A.'s

"Reading Maketh a Full Man"—Bacon

"What's Your Real Cost of Possession for Steel?" is title of new booklet. It discusses the methods that can be used to apply the equation "Purchase Price + Cost of Possession = Cost Ready For Use" in making sound purchasing decisions. Purpose of this booklet is to suggest a logical approach to the complex and difficult job of determining inventory costs on those steel items purchased for future use. Booklet is available from **American Steel Warehouse Association, Inc., 540 Terminal Tower, Cleveland 13, Ohio.**

The technology of polyethylene plastic—from basic chemistry of the resins to fabrication of end-products—is described in 100-page handbook. It covers every significant aspect of polyethylene processing techniques. It goes into detail on many specific problems which confront the processor and the steps that can be taken to avoid or correct them. It is also illustrated with a variety of charts, tables, and photographs. Copies are available from **U. S. Industrial Chemicals Co., 99 Park Ave., New York 16, N. Y.**

Barrel finishing compounds are described in 8-page booklet. The booklet points up the necessity for the right combination of media, solution, speed, and loading. It tells how to pre-clean parts, how to select media for specific metals, shapes and sizes of parts, operations to be performed, and finishes desired. Emphasis is placed on the need for proper barrel techniques. Booklet is available from **Oakite Products, Inc., 157 Rector St., New York 6, N. Y.**

"Magnesium in the Electronics Industry" is title of 20-page booklet. It discusses properties of magnesium that make it a useful metal in such applications—particularly light weight, temperature resistance, and finishing systems—and shows where magnesium is being used in electronics today. Booklet is available from **Dow Chemical Co., Midland, Mich.**

"A Ready Reference For Plastics" is title of new booklet. This booklet brings out the essential facts about plastics; how they came about, how they are used, and why. It explains physical properties, types of molding, elements of part design. Tables and data on almost every plastic material is also included. Copies can be obtained by writing **Boonton Molding Co., 326 Myrtle Ave., Boonton, N. J.**

Hoses of Teflon and related products are the subjects of 66-page catalog, No. 103. It provides complete dimensional information, engineering data, assembly instructions, and other important facts about medium and high pressure hoses of Teflon and "super gem" fittings for aircraft applications. Instructions for ordering hoses and fittings of special length and design are also provided, complete with easy-to-read charts giving part

numbers and other data. Catalog is available from **Advertising Dept., Aeroquip Corp., Jackson, Mich.**

Modern processes and newly developed equipment employed in the special forming and deep drawing of intricate light and heavy metal stampings are described in new brochure. The means of obtaining the exacting tolerances, strength and surface finishes demanded by industry today are related. Brochure is available from **The Reichert Float & Mfg. Co., 2302 Smead Ave., Toledo 6, Ohio.**

Stainless steel pipe fittings are described in 86-page catalog. It gives detailed information on a broad line of both IPS and Tube OD welding fittings, screwed and socket welding fittings and ASA, MSS and corrosion weight flanges. Technical section includes data on manufacturing standards, specifications, data on welding of stainless steel and corrosion resistance tables. It is also tab indexed for quick reference. Catalog is available from **Ladish Co., Cudahy, Wis.**

Welding supplies and accessories are described in 52-page catalog, No. ADC 848C. It covers a complete line of fluxes and ferrous and non-ferrous rods for gas welding; and accessory items including protective clothing, goggles, electrode holders, sparklighters, and many other items, for both arc and gas welding. Copies can be obtained by writing to **Air Reduction Sales Co., Div. of Air Reduction Co., Inc., 150 East 42nd St., New York 17, N. Y.**

Rare and reactive metal tubing for application in the chemical, nuclear, and missile fields is described in 44-page handbook. It contains data on neutron transparency, heat treatment, corrosion resistance, chemical and physical analysis, and mechanical properties. Handbook is available from **Damascus Tube Co., Greenville, Pa.**

Manometers for measuring pressure and vacuum in plants and laboratories are described in 24-page catalog, No. 2008. A section on "Points to Consider in Selecting a Manometer" assists in determining the best combination of manometer type, range, scale, indicating liquid, mounting, and accessories for specific applications. Copies are available from **King Engineering Corp., Box 680, Ann Arbor, Mich.**

The "Big Look" in small panel instruments, d.c. and a.c. is described in 6-page bulletin, No. GEA-6678. It stresses the distinctive appearance, excellent readability, and reliable operation of the new design. Cut-away views clearly show features such as self-shielding. Complete information is given on ratings, dimensions, pricing, size, and panel drilling plans. Bulletin is available from **General Electric Co., Schenectady 5, N. Y.**

### Purchasing Week Definition

## More on Electronic Circuits

Last week we defined the basic elements of an electronic circuit. Other components might be:

**Diode**—A two-electrode semi-conductor or vacuum-tube device that passes current in one direction but blocks it in the other. It is used to change a.c. to d.c. as rectifiers for power supplies. It can also be used to separate a desired audio (sound) or other intelligence signal from a radio frequency signal in radio, TV receivers and other equipment.

**Transistor**—A semi-conductor device having three or more electrodes. It is

used to amplify a weak alternating signal current. Transistor requires no filament or heater power whereas the corresponding vacuum tube does.

**Printed circuit**—A circuit produced by cementing a thin copper sheet to an insulating board, masking desired conductor patterns with an acid-resisting chemical and then etching away unmasked unwanted copper. Holes are punched or drilled at terminal points, leads of parts are inserted in the holes and then soldered to printed wiring either by hand or by dipping the board into molten solder.



## This Changing Purchasing Profession...

### Evans Now General P.A. Of Convair Division

**San Diego**—William G. Evans has been made general purchasing agent of the Convair Division of General Dynamics Corp. With the division since 1948, he formerly was an attorney and investigator for Buffalo, N. Y.

Before his promotion, Evans had been chief of subcontract. He also served as department assistant, staff assistant, material advisor, and purchasing agent.



**CHARLES E. PANZICA** has joined the Research and Development Division, The W. L. Maxson Corp., New York, as purchasing manager. He succeeds E. V. Anderson, now division manager. Panzica had been director of purchases for Electro-Tec Corp., South Hackensack, N. J.

**T. W. Karchner** has been promoted from materials expeditor to assistant purchasing agent at **Armco Steel Corp.**, Middletown, Ohio. With the firm 39 years, he was appointed processing planner in 1954.

**M. Gale Morgan** has joined the **Illinois Institute of Technology**, Chicago, as purchasing agent. He had been assistant business manager the last eight years for Valparaiso University and before that served as purchasing agent at Argonne National Laboratories, Lemont, Ill.

**John A. Lowrey**, purchasing agent for **Iroquois Gas Corp.**, Buffalo, N. Y., completed 40 years service with the firm and was awarded an emblem at the company's Service Award Dinner in Buffalo recently.



**R. J. RUCCI** has joined **Rohr Aircraft Corp.** as purchasing manager of its main Chula Vista, Calif., plant. He will also supervise purchasing and warehouse functions at the Los Angeles office. Rucci was administration and planning manager, Los Angeles Plant 2, Lincoln-Mercury Division, Ford Motor Co.



**LEONARD WHITE** has moved up from assistant general purchasing agent to general purchasing agent at **Whitin Machine Works**, Whitinsville, Mass. In this new post he is assuming duties relinquished by **Ralph E. Lincoln**, vice president. White joined the firm in December 1943 as a steel buyer.

**James J. Morris** succeeds **Alexander Koval** as manager of the shoe component purchasing department, **Endicott Johnson Corp.**, Johnson City, N. Y. Morris had served as an assistant to Koval in purchasing. Koval has been appointed manager of the firm's Upper Leather Division.

**Harold R. Ryland** has been named supervisor of purchasing for **California Spray-Chemical Corp.**, Richmond, Calif. He had been a contract buyer in the purchase and stores department of **Standard Oil Co. of California**, Western Operations, Inc., San Francisco. Calspray is a subsidiary of Standard.

**William E. Fowler** retired Oct. 1 as vice president—traffic and purchasing at **Youngstown Sheet & Tube Co.**, Youngstown, Ohio, after 19 years with the firm.

**Robert J. Baker** has been advanced to purchasing agent and **Donald H. Kattman** to assistant purchasing agent for the **Niagara Falls plant and Durez Plastics Division of Hooker Chemical Corp.**, Niagara Falls, N. Y. Baker had been assistant purchasing agent since 1956, and Kattman had been a buyer in the Hooker purchasing department the last three years.

**Raymond J. Smith**, purchasing agent for **Weed & Co.**, Buffalo, N. Y., has retired after having been with the company since 1903.

## Obituaries

### H. R. Maier

**New York**—Herman R. Maier, 68, chief engineer in charge of construction and purchasing for **Stanley Warner Corp.** died Oct. 5. He joined the firm shortly after serving in World War I.

Surviving are his wife and a son.

### G. P. Pendergast

**Niagara Falls, N. Y.**—George P. Pendergast, 49, acting purchasing agent of the **National Carbon Co.**, died Oct. 13. He had been with the firm for 25 years.

His wife, a son, and a daughter survive.

## British Unemployment Highest in 11 Years

**London**—British unemployment last month was the highest in 11 years. One out of every 50 workers, 476,000 persons, is idle, according to the Ministry of Labor. Last year only 267,000 were jobless.

The trouble is a so-far minor recession in various manufacturing fields due partly to overseas competition. Industries chiefly hit are textiles, clothing, vehicles, and metal manufacture. The Ministry of Labor estimates output in the manufacturing industry is running about 5% below last year.

## W. German Unemployed Hits Low in 10 Years

**Neurnberg**—West German unemployment in September hit the lowest figure in 10 years. Unemployed persons totaled 327,560 last month, a drop of 5,049 from August, government statistics showed.

Increased activity mainly in the construction, consumer goods, textile, and metal industries was believed to be responsible for the decrease. The Employment Office estimates only 1.7% of the total labor force is now out of work.

## New South Wales Mines Plan to Mechanize

**Melbourne**—The coal mines in New South Wales will be mechanized this year to the tune of nearly \$20 million in an effort to make Australian coal more competitive.

Steps are being taken to further expand the Far Eastern market, and Australia plans to send a special mission to South America to campaign for sale of up to 3 million long tons there.

The Australian coal industry hopes eventually to export between 7 and 8 million long tons a year.

## Austria to Make Pre-Fab Houses for U. S. Export

**Vienna**—The Austrian **Wenzl Hartl Co.** has received an order to deliver 500 fully furnished prefabricated wooden houses worth 8,500,000 Austrian schillings (\$326,900) to the United States. The deal was closed on the American side under the Surplus Goods Program.

The houses are to be used in tropical climates. First deliveries are to start during December with the rest of the houses due by the end of April 1959.

## More Bulgar Chemicals

**Vienna**—Bulgaria has just announced its chemical industry is increasing production to expand sales in world chemical markets. Bulgarian firms are boosting production of 88% calcium chloride and aluminum sulphate products. Also increasing are exports of sodium fluoride, sodium phosphate, kieselguhr, ether sulfuric, and glutamic acid.

## British, Reds' Trade Up

**London**—British shipments to Communist China the first eight months of this year totaled \$34,-

This Week's

# Foreign Perspective

NOV. 3-9

**London**—Russian trade can be a two-way street—acting as a firming as well as a dragging force on commodity tags.

**Rubber is a case in point.** It's been due to Soviet purchases that the world rubber market recently firmed.

From January 1 through October, Russian purchases of Malayan rubber are estimated to have been about 60,000 tons—this includes some 20,000 tons in October alone.

Latest wave of Red buying, says Britain's Association of Purchasing Officers, found the entire natural rubber industry in a "confident mood."

**Upturn in stateside activity plus continued Soviet interest indicates rubber prices should continue to edge up.**

But here's a skeptical comment: the more natural rubber costs the more consumers may be tempted to go over to synthetic.

**Warsaw**—Westerners with a sweet tooth may soon be munching on Polish delicacies.

According to a report published in a Polish paper, candy stores established and operated by the Polish state are to spring up throughout the world.

The paper asserts that a firm that held world-wide fame before World War II as the "Wedel Company" has received scores of offers to build such retail shops both in Eastern Europe, Western Europe, and overseas.

**The first stores are to be opened in Budapest, Belgrade, Moscow, London.** Other stores are to be built in France, Australia, and "many other countries throughout the world."

**Tokyo**—Japanese-Russian trade is headed for an increase. A Kremlin trade mission now in Tokyo has offered to buy \$10 million worth of steel plate, silicon plate, and cable from Japan's hard pressed steel industry this week.

The offer is the latest gambit in the efforts of the Soviets to expand Japanese-Soviet trade.

There is some evidence—although inconclusive—that the Russians are buying products which the Chinese Communists originally contracted for earlier this year, and then refused when trade negotiations were broken off.

**Further support for this theory comes from a recent Russian purchase of a thousand tons of rayon staple.**

It's noted here that rayon staple was one of the big items that the Chinese Communists purchase along with steel plate.

**Melbourne**—Sagging wool prices have created somewhat of a problem here.

If the present average price of wool continues to the end of the current selling season then there will be a cut of some \$500 million in the Australian wool growers' income.

**If the trend persists, loss of wool revenue could force the government to impose severe import restrictions.**

**The recent U.S. recession is partially behind the poor demand picture. So is the trend towards artificial fibres. These fibres have the added advantage of stable prices.**

**Aid may come from unexpected sources.** Staunchly anti-Communist Australia now looks to the Communist countries for developing new markets.

More surprising, it is the still-hated Japan that now provides a stabilizing effect at Australian wool auctions.

764,800 nearly 70% higher than last year's period. According to the British Council for Promotion of International Trade, the principal items were wool tops (\$13,296,015) and metals (\$8,138,631).

## Central Control Placed In Formaldehyde Plant

**Hamburg**—A new formaldehyde plant, containing modern automatic equipment enabling central control by one man, began production here recently. The 10-million lb. a year plant is owned by **Reichhold Chemie A. G.**, affiliate of the U. S. firm, **Reichhold Chemicals, Inc.**

The plant supplies formaldehyde to the textile, paper, and plywood industries as well as supplying chemicals and synthetic resins used in the paint, varnish, foundry, plastic tooling, and paper industries.

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## In the World of Sales

R. H. Merriman has been named Buffalo district manager by Air Reduction Sales Co., a division of Air Reduction Co., Inc., New York. F. C. Millspaugh, Jr., sales assistant at the Jersey City office, succeeds Merriman as assistant manager-sales there.

A. R. Hunter has taken the post of sales manager with Statham Instruments, Inc., Los Angeles. He had formerly been with Magnetic Research Corp. and International Rectifier Corp., both in El Segundo, Calif.

Gene G. Gables has joined the Building Products Division of The R. C. Mahon Co., Detroit, as southwest sales representative. He had been branch sales manager for H. H. Robertson Co., Dallas.

William D. Brumback has been promoted to vice president and general sales manager by American MARC Inc., Inglewood, Calif.

Two eastern regional sales managers have been named by Pittsburgh Standard Conduit Co. Raymond F. Becker, New York and New England district, New York headquarters, and James D. Logan, Philadelphia-Baltimore-

Washington district, Philadelphia headquarters. Three sales engineers also have been appointed: Gerald L. Cronan, Baltimore-Washington area; William A. Touhey, Philadelphia area; and Paul F. Richards, New England area.

Stewart Nellis has joined Technical Wire Products, Inc., Springfield, N. J., as sales manager.

Richard E. Reynolds has been assigned the new post of field sales manager for AVISCO cellophane, Film Division, American Viscose Corp., Philadelphia.

Harold R. Ginther has taken the post of Seattle branch manager, White Diesel Engine Division of White Motor Co.

George C. Hall succeeds Harry A. Pierce as manager of industrial distributor sales, Rollway Bearing Co., Inc., Syracuse, N. Y. Pierce, who this year completed 25 years service, will continue as a consultant to the sales department.

Ardmore M. Willer has been promoted from assistant sales manager to sales manager by West Instrument Corp., Chicago.

Elmer M. Richardson has been

appointed eastern regional manager, Union Chain & Mfg. Co. He will supervise operations of the Boston, New York, and Philadelphia territories from New York City headquarters.

C. R. Robertson, formerly sales manager, has been elected vice president-sales by Weller Electric Corp., Easton, Pa.

Loy Collingwood has been named assistant general sales manager, Riverside-Alloy Metal Division, H. K. Porter Co., Inc., Riverside, N. J.

R. G. Cole and John Chrien have been made sales managers for the Detroit and Cleveland divisions respectively by Amco Corp.

Frank P. Lucier succeeds Elmer W. Ellsworth as sales manager of Stanley Electric Tools, division of The Stanley Works, New Britain, Conn. Ellsworth, who is recovering from a recent illness, has been named northeastern regional manager.

H. Merrill Bowman has joined T. B. Wood's Sons Co., Chambersburg, Pa., as vice president and director of sales. Bowman had been vice president of The American Pulley Co., Philadelphia.

Gus Irving has been named manager of the brewery sales department, The Pfaunder Co., a division of Pfaunder Permutit Inc., Rochester, N. Y.

Clifford C. Burke has been assigned by Taylor Fibre Co. to the La Verne, Calif., sales office as a sales engineer.

James R. Dickerson has been promoted to Los Angeles district sales manager for Rockwell Mfg. Co.'s Municipal and Utility Division. Jack D. Thurman has been appointed a sales engineer and will handle water and parking meter sales in the immediate Los Angeles area.

### PURCHASING WEEK

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### Chrysler Opens Two-Way Radio System

**Detroit**—Putting through the first official call over what Chrysler Corp. terms the auto industry's largest two-way radio system connecting the Chrysler organization with 85 company cars is L. I. Woolson, vice president and director of manufacturing services. William X. Pegan, left, director of inter-plant transportation, and Robert M. Franklin, manager of inter-plant communications look on.

The system, engineered by General Electric Co., is used to dispatch trucks and cars between more than 40 plants and office buildings of Chrysler as well as nearly 3,500 supplier firms in metropolitan Detroit.

### Joy Agrees with Carpc To Handle Beneficiator

**Pittsburgh**—Joy Mfg. Co. has entered the minerals dressing field. The company has completed a working agreement with Carpc Research & Engineering, Inc., Jacksonville, Fla., to manufacture and sell its high tension separator which beneficiates iron ore material.

Joy manufactures underground mining equipment, construction equipment, industrial equipment, electrical products, and oil field drilling tools and equipment.

### Mettler Moving From California to Rockford, Ill.

**Rockford, Ill.**—Mettler Co., division of Eclipse Fuel Engineering Co., manufacturer of packaged, fan-type power and process burners, is moving its facilities here from Los Angeles to be closer to its major markets.

Robert W. Pixler, company vice president and general manager, said key executive, manufacturing, and engineering personnel will move to the new location assuring uninterrupted flow of products to customers.

### Sterling Electric Adds To Cincinnati Facilities

**Los Angeles**—Sterling Electric Motors is expanding its Cincinnati, Ohio, facilities to provide faster delivery on motors requiring special windings.

The company announced it can now offer overnight service to most eastern and midwestern areas on commonly used electric

power drives and a greater variety of types and sizes of geared motors and variable speed drives.

### Bickley Furnaces Buys Remmey's Equipment

**Philadelphia**—A new company, Bickley Furnaces, Inc. has been formed to design and manufacture high-temperature furnaces for the ceramic, refractory, steel, metalworking, electronic, aircraft, missile, and nuclear energy fields.

Bickley purchased assets and equipment of the Remmey Furnace Department of Richard C. Remmey Son Co., subsidiary of A. P. Green Fire Brick Co.

### Frisco Railway to Move Purchasing Department

**St. Louis, Mo.**—The Frisco Railway will move its purchasing department from St. Louis to Springfield, Mo. within the next two months to be in the same location as its stores department.

Most of the 16-man purchasing staff will be asked to move, according to H. E. Martin, manager of the purchasing and stores department.

### Building Skelp Plant

**Regina, Sask.**—Interprovincial Steel Corp. is building a \$15 million steel rolling mill here to roll skelp for the production of pipe, plate, and structural steel. The new facility, equipped for a maximum capacity of 100,000 tons a year, is expected to be completed in late 1959.

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# Purchasing Perspective

NOV. 3-9

(Continued from page 1)

This includes ability to spot shifting tides of world competition and assess their ultimate effect. Knowledge of tariffs, quotas, currency restrictions, and other forms of manipulation affecting domestic and international trade have important bearing on his ability to save money and maintain profit levels for his company, Rockwell asserted.

The European Common Market eventually will be one of the prime situations requiring such intimate background knowledge of world affairs. Soviet and other iron curtain shipments of aluminum, tin, platinum and other materials into world markets, Russian purchases of Malayan rubber, and the current Rhodesian copper mine strikes are striking recent examples of how distant trade maneuvers and influences affect domestic suppliers. Also, recall the vociferous world reaction and price movements following recent imposition of U. S. lead-zinc import quotas.

American producers, incidentally, look eagerly for continued upward movement in lead and zinc prices. Bunker Hill Co.'s president, John Bradley, was quoted last week as saying he expects lead to hit 14¢ and zinc 12-12½¢ during 1959. And he emphasized his estimates were definitely "modest."

Copper, on the other hand, looks for a return to stability after its steep surge in recent weeks.

If you had any doubts about the strength of the economic pickup since mid-summer, it's about time to erase them. The Commerce Department's new monthly summary of current business reports that early fall business displayed a better-than-seasonal advance with the upward trend fully reflected in the flow of personal income and buying power. The survey cited business indicators which usually trail general economic tempo. These finally have fallen in step with the leading and current indicators which have been headed upward since mid-year. Of the indicators cited by the survey, auto sales were about the only principal delinquent. Up were personal income, non-agricultural employment, buying at retail, disposable income, total consumer buying, and other consumer spending patterns.

And topping all this is the Department's latest report on manufacturers' orders and new sales. Those indicators showed that incoming business during September rose more than usual, surpassing the year-ago level for the first time this year.

## Pennsylvania Purchasing Group To Form Program for Data Center

Harrisburg, Pa.—The administration department which directs the state's purchasing has taken on the assignment of programming and coordinating Pennsylvania's new electronic data processing center.

The center, first to be established by any state for use of all its agencies and departments, went into operation at the Pennsylvania capital last month.

Andrew M. Bradley, head of the property and supplies department, has drawn up a tentative work schedule for the 34-piece Remington Rand Univac computer. The first big task will be payroll processing for some 68,000 state employees. That job alone is expected to save \$300,000 a year and pay for the \$25,000 monthly equipment rental fee.

"With all the possibilities of this center," a spokesman said, "we foresee tremendous savings in every department in the state, particularly purchasing."

The purchasing bureau, while anxious to utilize the data processing equipment quickly, wants to do a thorough job. Therefore, the bureau has decided to wait until next spring before starting to use the center for purchasing functions.

Purchasing probably will use the center first for inventory control of seasonal items. "We would like to establish minimum and maximum quantities of these items in our warehouses," an official said. "The center will enable us to tabulate prices right along with the items in order to know the dollar volume of our warehouse inventory."

The property and supplies department is still studying the many ways in which the Univac computer center can cut time, work, and costs.

"By the time we begin using the center in the spring," the purchasing spokesman added, "we should have a well-rounded program."

## Steel Stocks Too Low, Blough Warns Industries

(Continued from page 1)

any danger of shortages.

Blough said steel consumers ended their inventory liquidation on the average about last August or September after a 15-month period of stock depletion. He looks for "solid demand" through the final quarter of 1958 and the first quarter of 1959.

The industry executive cited steel plates as an example of where bunching of buying could cause severe delays.

## New U.S. Buying Rules Due Jan. 1

(Continued from page 1)

vamping the cost rules is to clarify very fuzzy area in procurement regulations and to set up uniform policies for the three services. As the Pentagon procurement policy officials see it, the new rules will be a "liberalization of the status quo."

But the industry critics consider the effect of the coming rules to be just the opposite. One Washington trade association official says the revised procurement regulations will hit contractors' profits.

On the liberalizing side, the changes in cost rules will now allow as reimbursable costs (1) executive bonuses and other special employee compensation related to profits, and (2) training and education costs. At present, there are no fixed rules on such cost allowances, but claims for reimbursement are now generally turned down.

Industry's big objection centers on the new provision to apply the itemized cost rules both to cost-reimbursement type contracts and to fixed-price contracts in which costs are a factor in negotiations—contracts with price-redetermination and incentive clauses.

### Not Subject to Review

Right now, fixed-price contracts are not generally subject to a detailed allowable cost review. Industry's view is this: After the military has made a deal on price in a fixed price contract there is no logic in putting the contractor through the wringer later on to justify the costs on which the price was set.

Industry is also up in arms over the Pentagon's refusal to allow all costs on a defense contract—such as interest charges.

Finally, many contractors object to the creation of an inflexible "inventory" of allowable and non-allowable costs, argue that it will restrict the freedom to negotiate defense contracts. As they see it, there should be general guidelines or principles which would only set the pattern for negotiating allowable costs on an individual case basis.

## Railroad Backs Move On Agreed Freight Rate

St. Paul—Another railroad has come out in favor of the "agreed charges" principle of railroad freight rates (P.W. Sept. 29, p. 1). Chicago, Milwaukee, St. Paul & Pacific Railroad Co. President William J. Quinn last week urged Congress to let railroads adopt the method to help increase the volume of traffic.

Addressing a Rotary Club luncheon, Quinn said the agreed charges system "would give the railroad industry an opportunity to utilize more fully its inherent advantage of volume transportation and would also open the way to better service through longer-range planning of equipment availability."

The system permits shippers to agree under contract to forward a specified portion of their goods over the lines of the carriers. A sliding rate is charged according to the proportion of goods shipped.

## Express Boost Nov. 11

Washington—Railway Express Agency's recently approved 15% rate increase will go into effect Nov. 11. I.C.C.-ordered exceptions to the tariff boost include minimum charges; incentive or quantity rates on merchandise traffic, including import and export shipments; first class rates on merchandise traffic moving from retail stores to customers and certain foods.

## Factory Orders, Sales Rise Slightly in August

Washington—Factory orders and sales are gradually beginning to reflect the current pickup in business activity. A new Commerce Department survey (covering September) shows them both rising moderately above August levels. The new report also indicates that the recent inventory liquidation phase is nearing an end.

Incoming business was particularly encouraging. New factory bookings rose to \$26.8 billion on a seasonally adjusted basis. That was about \$700 million above August and the first time this year new orders have topped year-ago levels.

Practically every major industry shared in the new order boost. The only exception was transportation equipment, reflecting a smaller volume of defense buying. Other details on factory orders, sales, and inventories are shown in the table below.

### Factory Orders, Sales and Stocks\* (Billions of Dollars)

	1958	Aug. Sept.
<b>Sales</b>		
All Manufacturing	26.4	26.7
Durable-Goods Industries	12.4	12.6
Nondurable - Gds Industries	14.0	14.1
<b>Inventories</b>		
All Manufacturing	49.4	49.2
Durable-Goods Industries	28.1	28.0
Nondurable - Gds Industries	21.4	21.2
<b>New Orders</b>		
All Manufacturing	26.1	26.8
Durable-Goods Industries	12.2	12.6
Nondurable - Gds Industries	13.9	14.1
*Seasonally adjusted		

## Copper Prices Now Due For More 'Stable Ride'

(Continued from page 1)

Copper stockpiles, which reached 500,000 tons on the world market last April, have been worked down sharply by strikes in Northern Rhodesia, Canada, and Kennecott's Chino property.

But "strikes do not last indefinitely," Winship pointed out. "Domestic mine production has been increased substantially. Important diversions to government stockpiles have stopped. New foreign properties are ready for production."

Winship also noted "good evidence" of a broad pickup in domestic consumption because of additional housing starts, expansion of electric power and communications facilities, public demand for appliances, and auto industry labor settlements.

## Europe Nursing Free-Trade Area

Paris—Western European nations have managed to keep alive slim hopes of getting started with their long-debated free trade area by Jan. 1. That is the date the six-nation European Common Market Treaty goes into effect.

A last minute compromise by members of the 17-nation F.T.A. negotiations committee of the Organization for European Economic Cooperation (O.E.E.C.) gave free trade advocates another narrow chance to eliminate deep-rooted obstacles.

The principal roadblock has been problems of origin of goods. Key members of the O.E.E.C. committee, which met in Paris last week, will work on here as a sort of "crash" group in efforts to solve the "origins" difficulty. If successful it would permit the free trade area to come into limited effect as originally planned early in 1959.

The "origins" problem associated with attempts to start free trade procedures in motion involves handling of goods imported by presently low tariff countries for processing and then reshipped into countries with traditionally high tariff restrictions.

France, with its preoccupation with domestic governmental problems, remained in basic disagreement with the free trade concept. Only strong pressure from the other European common market members (Germany, Italy, Holland, Belgium, and Luxembourg) persuaded France to agree to the compromise.

But observers spotted a trend in the De Gaulle government decision, announced later, to go ahead with plans to join a scheduled 10% tariff reduction among common market treaty powers.

## World Market Forum Planned by N.Y. Group

New York—A world markets forum at the October meeting of the Purchasing Agents Association of New York accented both opportunities and pitfalls facing the purchasing executive who buys from overseas sources.

Associate Editor Robert S. Reichard of PURCHASING WEEK opened the discussion with a description of how Russian trade moves, commodity pacts, tariffs, and other actions influence world market prices. He pointed out that many domestic prices are significantly dependent on overseas events.

Consul Colin C. Hoffmann of the German Consulate discussed the European Common Market—what it is—what it means in terms of imports, exports and foreign investment. Kinks still remain to be ironed out, but it is a great step toward multi-lateral tariff reduction, he said.

Harry S. Radcliffe of the National Council of American Importers Inc. listed hazards in foreign buying. He emphasized that while bargains exist, it's a hazardous field and requires the help of experts.

Jackie Robinson, former Brooklyn baseball player now a top executive for a New York restaurant chain, spoke at the dinner meeting. He emphasized the need for teamwork in business and noted all must pull together if a firm is to be successful.



## Optimism Takes Over as Tool Show Exhibits at Cleveland Draw 50,000

(Continued from page 1)  
working machine tools (see photo on page 1) using high-velocity, high-energy techniques to form metals. High-pressure gas is used to slam a die into a workpiece at velocities up to 2,500 in. per sec. At this speed many metals—even high-strength, high-temperature steels—behave as though they were plastic. The effect is much like that of a hurricane driving a straw through a barn door.

### Available in 3 Months

The line is called Dynapak and is offered in three standard sizes. Price range is \$18,550 to \$52,850. They'll be available in about three months.

Besides being capable of forming difficult-to-work metals, Dynapak will produce parts that can't be made by other techniques. For instance, it extrudes parts with web thickness of 0.01 in., forges to zero draft angle, and produces smooth finish and close tolerance surfaces that need little machining.

The maker cites these additional advantages: Low-cost operation, simple operation, small size, fast cycle time (30 to 60 sec. depending on model), no need for foundation.

### Du Pont Uses Explosives

While Convair talked in terms of high-pressure gas as the driving force for its metal-forming technique, Du Pont talked about using high explosives. It is working with a number of manufacturers in developing both the techniques and equipment needed for explosive forming. So far, Du Pont, in cooperation with others, has formed parts ranging in size from a few inches to 15 ft. in diameter. Biggest problem is finding a workable die material that will stand up repeatedly under the tremendous impact and velocity.

Explosive forming represents only a minor market for explosives. So at this point Du Pont is uncertain about what it will do when the technique is perfected. But it is making its know-how available to interested companies.

Du Pont also showed its new line of blind expansion rivets for high-temperature applications. They are being used in riveting certain sub-assemblies in jet engines.

A tungsten carbide depositor shown by Easco Products Div., Electro Arc Sales Co., caused something of a sensation. In the first few hours of the show the display model was sold along with the maker's output for the next two months.

### Deposit Leaves Layer

The machine deposits a 0.0004-in. layer of tungsten carbide on a base metal. The base metal can be in the form of high-speed cutting tools and punches. Tool life is doubled or tripled. The tungsten carbide layer increases the tool's hardness, boosts its wear performance without adding brittleness.

Ordinary tungsten carbide throwaway tool bits are used as the carbide source. Other carbides can be deposited, but best results seem to come from tungsten carbide.

The machine is made in Britain. It sells for \$6,650 F.O.B. Detroit.

A portable battery operated electronic gage was displayed by Cleveland Instrument Co. It can measure to 20 millionths of an inch and is designed for use where dial indicators do not meet accuracy requirements.

The combination measuring head and amplifier-indicator sells for \$355.

Cyril Bath & Co. showed its high speed automobile and aircraft sheet metal parts former. It is an integrated system combining an automatic sheet loader, forming equipment, and automatic part unloader. Forming equipment can consist of press brakes, tangent benders, stretch formers, and punches, depending on the part being formed.

### System Custom-Engineered

Because of automation, output is high. A stretch-forming set-up puts out 300 parts per hour for the Plymouth auto. Each system is custom-engineered by Bath to suit customer requirements.

Production milling of small parts is facilitated by a device offered by Automatic Milled Parts Div., Sieburg Industries, Inc. Heart of the machine is a continuously moving belt that has 24 automatic clamping jaws. The jaws are specifically designed to hold the parts being machined. Parts can either be hand fed or hopper fed to the jaws. Once in the jaws, parts move via the belt to a milling cutter.

Production rate is 1,500 to 3,000 parts an hour. Clamping jaws can be changed in a matter of minutes to suit a variety of products. The machine is suitable for production runs of 5,000 to 5 million.

Price is \$2,875 f.o.b. Danbury, Conn.

### Coating for Metals

Turco Products, Inc. showed a new protective coating for metals and non-metals during in-plant processing. Fabrifilm is applied to the raw stock by spray, dip, brush or roller methods. During storage, forming, and fabrication it protects the surface from abrasion, scuffing, and corrosion. The coating can be removed at the same time parts are being cleaned prior to final surface preparation.

### Descaling Process

Another Turco product is part of a process for descaling high-temperature corrosion resistant alloys. Turco 4367 applied to a metal surface forms a film that reduces oxide growth and inhibits scale during heat treatment of the metal.

Other materials and products seen at the show include: foamed aluminum (Foamalum Corp.), porcelain de-enameling compound (Kolene Corp.), rare earth borides (Cooper Metallurgical Associates), beryllium and beryllium oxide shapes (Beryllium Corp., Brush Beryllium Co.), tantalum mill products (Haynes Stellite), plastic axial and centrifugal fans (Heil Process Equipment Corp.), high-purity vanadium (Vanadium Corp. of America), stripper for removing epoxy, acrylic, polyester, and vinyl resins (Oakite Products, Inc.).



AFTER BANQUET toastmaster Albert L. McLean, left, V.P. of District 9 N.A.P.A.; gets the amused attention of H. Stafford Kellam, 1955-56 N.A.P.A. president; Fred Hetzler, chairman, national continuing education committee; and G. W. Howard Ahl, executive secretary, N.A.P.A.

## New England P.A.'s Told to Continue Education in Battle for Recognition

**Providence**—The theme stressed at the New England Purchasing Conference here Oct. 22, was continuing education—the need for purchasing agents to develop their personal abilities.

As Howard Ahl reported to the 250 in attendance, "very few of us were educated to do purchasing. Most were thrown in at a time of critical shortages to expedite. Although many of us may not be equipped to assume top management duties now, continuing education can fill this void."

Former national association head, Staff Kellam of General Electric Co., told the group that this kind of education could be fun, recounting his own experi-

ence in management courses he is presently taking.

Gordon Burt Affleck, national association president, further emphasized the theme at the evening banquet. "P.A.'s should never be satisfied. They should continually strive for better education which will equip them for deserved recognition by management."

Although attendance at the one-day session was down, membership in the four regional associations represented was up to a new high of 1,380. Other topics of interest to the 250 members attending were the panel on value analysis and standardization, and a talk on how business climate affects the purchasing man.

## I.C.C. to Hear Rails and Truckers

(Continued from page 1)  
newsprint from Louisiana to Chicago. The barge lines charged railroads' interpretation of the new legislation would "sound the death knell of the barging industry."

In Chicago, an Illinois Central spokesman said railroads expect more such protests as they try to find out how far they can go in competing with barges, trucks, and pipelines now that the Transportation Act of 1958 has supposedly loosened up railroad freight rate structures.

Nub of the issue in the freight forwarder case is whether the lower rates forwarders are offering fall within the "fair and rea-

sonable" gauge by which the I.C.C. measures new rates. Primarily this hinges on whether the rates cover all expenses and are not unduly competitive. Truckers argue the rates are too low.

Underlying basis in the push for volume freight rates by freight forwarders is the highly controversial trailer-on-flat car volume rates based on a 70,000-lb. minimum that railroads are hammering so hard to install. Truckers are fighting just as hard to get the I.C.C. to ban them.

### Refused Rate Extension

In fast breaking succession recently, the I.C.C. refused to let the rails extend a flat rate of \$924 for towing shipper-owned trailers and flat cars from Chicago to Portland, Seattle, and Tacoma. In the same action, the I.C.C. launched its own investigation into the same rate now in effect between Chicago and San Francisco and Los Angeles.

Truckers also won suspension of a similar 70,000-lb. minimum rate which the B. & O. and New Haven Railroads wanted to install. It is based not on hauling trailers on flat cars, but rather on a two-boxcar basis. The lines claimed they needed the new rate because they didn't have suitable 70-ft. flat cars used by other rail lines for hauling a pair of truck trailers.

The New Haven now has an off-beat request before the I.C.C. seeking temporary use of the two-boxcar rate until it can obtain the 70-ft. cars. In another action, truckers won a suspension of a B. & O. rate trailer-on-flat-car rate slated to become effective Oct. 20 between the East Coast and Chicago. The I.C.C. originally okayed the rate, then the day before it was to go into effect, reversed its action.

## Pact Insures Fuel for Jets

(Continued from page 1)  
New York. The company has a total of 110 jet-powered aircraft on order, with delivery set by mid-1962.

"When all these jets are in service, including the Boeings, Convair 600s, and Lockheed Electras," he said, "our annual fuel volume will be about 450 million gallons."

"That was why management, anticipating these fuel requirements, appointed a committee early last year to decide what type we would need, how much, and what we would have to pay for it."

The committee, consisting of flight personnel, engineering, maintenance, and purchasing, had a choice of two products—low-grade gasoline or kerosene. It recommended kerosene because it gave off more heat, didn't have the combustibility of gas, and handled static electricity better.

"We developed a complete specification on the type of kerosene we wanted and mailed it out to everyone we thought capable of supplying it," Brandewiede said.

"Price was not the most important factor we had to consider. In fact, I was forced to eliminate some low-bidding companies because I felt they couldn't give us the quality and service we needed."

A substantial portion of the order went to Esso Standard Oil Co. and Shell Oil Co., which together will provide about 60% of the total fuel requirement. The other seven companies which will furnish American with jet fuel at points across the country are Richfield; Humble; Gulf; Standard Oil of Ohio; Standard Oil of Kentucky; Texas, and Magnolia Petroleum.

Discussing the price factor, Brandewiede explained that each contract contains an escalation clause based on crude oil postings.

"As crude oil prices rise and fall, our fuel prices will be affected," he said. "The exact amount of the increase or decrease is arrived at through a special formula we have worked out with the oil companies."

"We don't think the market is going to soften in the future. In fact, we believe just the opposite. Therefore, this plan will keep our fuel prices fairly stable, at least for the next 10 years."

Although all nine contracts are dated Nov. 1, 1958, Brandewiede said delivery has already started. "And that is where our biggest headache came—readying our ground facilities to handle the fuel."

He explained that it was all-important to avoid the least bit of contamination when using jet fuel. "We had to check every piece of handling equipment, change valves, change tanks, instruct crews, etc."

"At American Airlines, it is purchasing's job to handle all the warnings, to make sure that the right kind of equipment is on the job. It is a daily job, not one that ended when we awarded the fuel contracts."

Summing it up, Brandewiede said:

"Whoever said the jet age would bring its problems certainly said a mouthful."



## Ruling Cracked; G.S.A. Modifies Pricing Policy; Others Expected

(Continued from page 1)  
many cases actually working to raise prices to other buyers (P.W., Oct. 20, p. 1).

Although more than 60,000 items are involved in the dispute, the P.A.'s in the recent cases feel they have established an important precedent—one that might eventually lead to a scrapping or further revision of federal policy which could save them millions of dollars on other purchases.

Source of all the contention is Regulation 13 of the General Services Administration, the federal government's huge central buying agency. Regulation 13 states that any supplier selling any one of 60,000 items to the central government under a supply schedule contract cannot lower its price to other "comparable" buyers without giving a "comparable" reduction to the government.

Since the central government buys in such huge quantities, this has resulted in discouraging manufacturers and suppliers from dropping their tags, in negotiations with P.A.'s from private industry and with state and local government bodies.

### Kept Prices Up

Furthermore, prices that might otherwise have naturally fallen have tended to stay up. Take for instance the price of drugs. Prices of new drugs when first marketed are comparatively high, but then usually begin to fall off sharply after a few months as supplies are increased and original demands are fulfilled. However, from 1954 to 1957, drug prices generally remained stable and even rising. At least part of this is traced to the impact of the GSA purchase regulation.

The G.S.A. late last year agreed to drop Regulation 13 from its drug contracts, principally because of pressure brought by Rexford Wessels, purchasing agent for the District of Columbia.

And Wessels showed what could be done without being hampered by the G.S.A. clause. He completed negotiations the past week on new drug contracts for the City of Washington, and prices he'll pay range on average more than 25% below those quoted by G.S.A. On individual items, some of the reductions ran as much as 90% below that quoted G.S.A. As a result, savings to the city will come to about \$135,000 next year.

Similar gains have been made

by P.A.'s for New York, North Carolina and other states in the purchase of typewriters after G.S.A. backtracked on its policy earlier this year regarding their sale. Charles H. Kriger, New York State procurement chief, announced this month that he'll save \$75,000 from now until next July in buying typewriters as a result of new contracts just negotiated. And North Carolina officials report they're able to get typewriters at a price \$6 less than that paid by G.S.A.

## Seaway Can Save 10-20% On Freight, Buffalo, N. Y. Agents Say

**Buffalo, N. Y.**—Freight movement over the St. Lawrence Seaway can save Buffalo area shippers 10% to 20%, local shipping agents assert.

The marine spokesmen, commenting on a statement by I.C.C. Chairman Howard Freas that Seaway shippers will realize substantial transportation savings, declared that St. Lawrence Seaway routes will save the cost of rail or truck haulage between Buffalo and the Eastern Seaboard ports.

## End-Product Census Set in Atomic Field

(Continued from page 1)  
ably will find useful the information to be published by the Census Bureau when it compiles results of a three page questionnaire it has drawn up to cover atomic industry activities in 1957. It will require firms to supply figures on number of shipments; dollar value of shipments; and breakdown showing dollar value of shipments to government agencies, export buyers, and others.

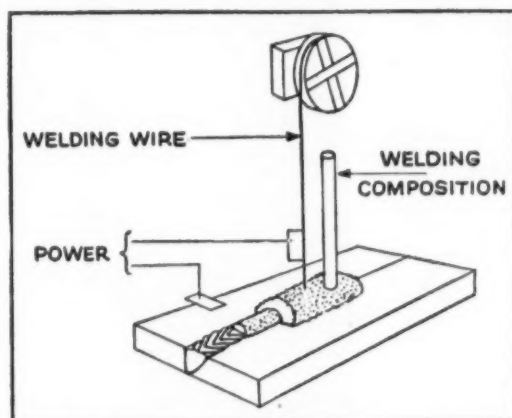
More than 100 commercial firms now purchase bulk radioisotopes from the A.E.C., but the only sales figures are those from the Oak Ridge plant to those

firms. In the future the shipments and sales figures from these 100 firms will be used to give a precise figure on their activity.

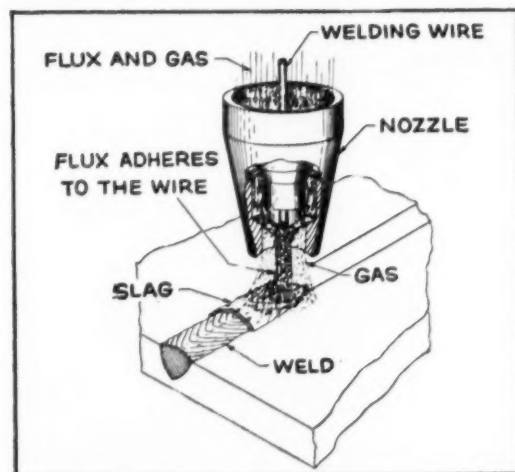
Among the 19 categories for which these figures are demanded are: nuclear reactors; reactor components and equipment, including vessels and tanks, control rod drive mechanisms; heat exchangers, pressurizers, pumps, valves, fuel elements, and the like; hot laboratory equipment; radiation detection and monitoring devices; radio-active isotopes; and uranium and its compounds.

The same questionnaire will be sent out again next year.

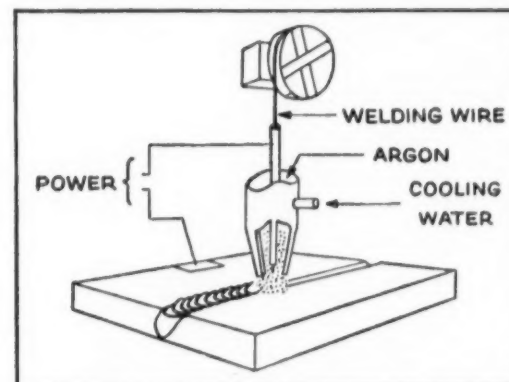
## LINDE's Modern Methods for Joining Metals



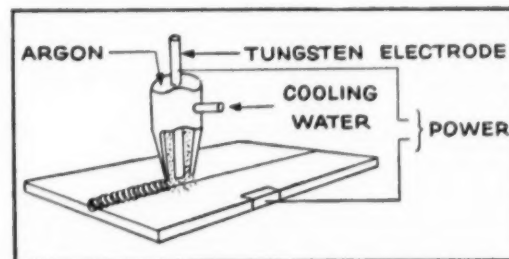
**UNIONMELT Welding** is a submerged arc process for high-quality electric welding at high speed of any thickness of commercially-used steel, without flash, glare, or sparks. UNIONMELT Welding equipment and supplies are available from LINDE.



**UNIONARC Welding** is LINDE's newest development in manual electric welding, using a magnetic flux with gas-shielded arc. UNIONARC Welding is extremely fast and economical; can be handled in all positions—vertical, overhead, downhand.



**Sigma Welding**—A superfast, shielded inert gas metal arc method for production electric welding of aluminum, stainless steel and other metals. LINDE supplies equipment, consumable electrodes, and inert gases for Sigma welding.



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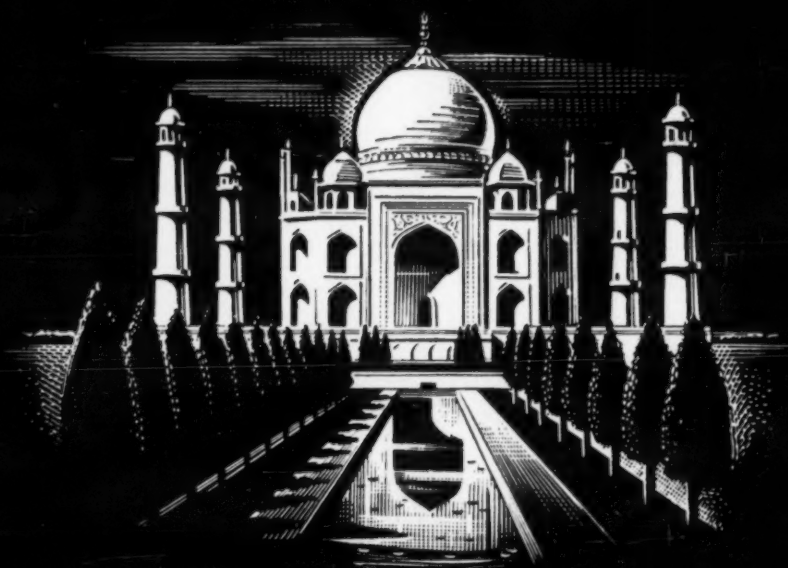
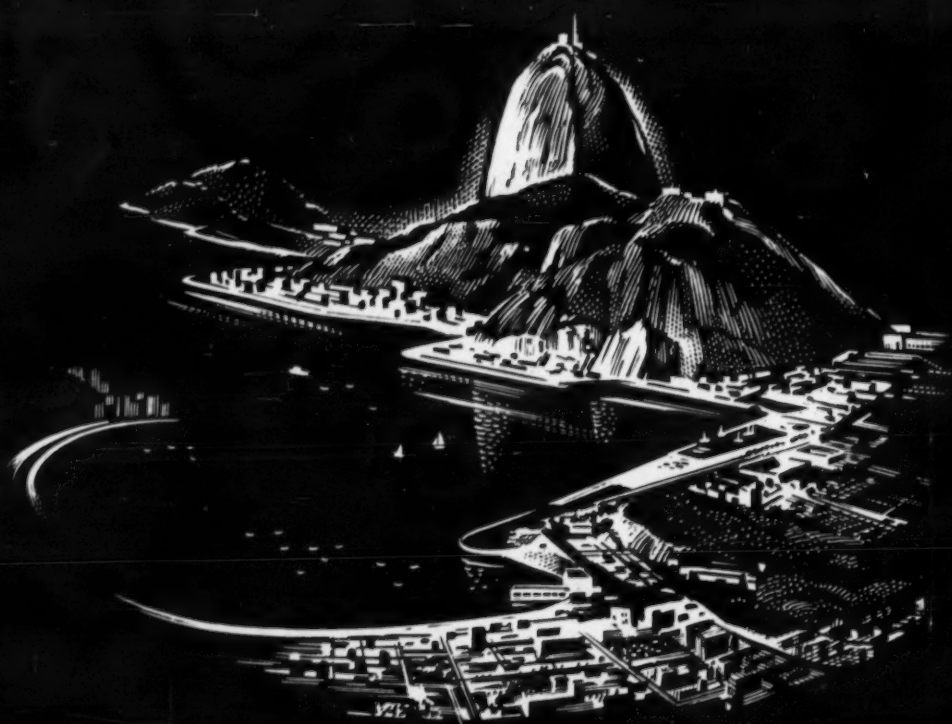
## Freight Forwarders Cancel Approved Rate Hike, They Tell I.C.C.

**Washington**—Domestic freight forwarders, who won a 3% rate increase two weeks ago, found motor carriers apparently too formidable and decided to cancel the boost. The increase, which applied to traffic moved east of the Rockies, will be cancelled as of Nov. 20, the forwarders have informed the I.C.C.

The freight forwarders originally sought the higher rate to compensate for higher railroad charges including a \$1.20 levy on waterborne traffic.



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